

61.

(a) A ~~licensee~~ LENDER may make a secondary mortgage loan in such an amount that the net proceeds thereof shall equal a predetermined sum, and may take interest in advance upon the full amount of such loan for the period from the making of the loan to the date of maturity of the final installment. The total interest, however, shall not exceed the amount that would accrue throughout the term of the loan, if charged at the rate of twelve per cent per annum at the end of each installment period upon the descending balance. The secondary mortgage loan between the borrower and lender shall be amortized in equal or substantially equal monthly installments without a balloon payment at maturity, EXCEPT THAT PAYMENT ON SUCH A LOAN MAY BE REDUCED OR SUSPENDED UNTIL THE FIRST LIEN OR ENCUMBRANCE IS WHOLLY OR PARTIALLY SATISFIED.

(b) A ~~licensee~~ LENDER may collect from the borrower a delinquent or late charge of two dollars (\$2.00) or one-twentieth (1/20) of the amount of any periodical installment whichever is greater; provided, however, that such delinquent or late charge shall not be imposed more than once from the same delinquency and provided that said delinquency shall have continued for at least ten days. SUCH DELINQUENCY CHARGE SHALL BE DEDUCTED FROM THE NEXT INSTALLMENT PAYMENT MADE BY THE BORROWER TO THE LENDER.

62.

(a) The following is hereby fixed as the schedule of maximum amounts which may be charged to an applicant for a secondary mortgage loan for costs, fees, services, point and premiums which may be incurred by such applicant and no other charges of whatever nature shall be made in connection with a secondary mortgage loan:

(1) A loan origination fee of no greater than two per cent (2%) of the net proceeds of the loan. , ~~or~~

(2) The premiums actually paid for insuring real property securing the loan or for insuring the life of the party or parties obligated on the loan, in an amount not to exceed the gross amount of the contract; provided that at no time shall contracts of life insurance be outstanding for more than the original amount of the contract; provided further that any such insurance hereinabove described is obtained from an insurance company authorized by the State Insurance Department of Maryland to conduct business in this State ~~and at rates which do not exceed those lawfully or acceptably filed by such insurance companies with the Insurance Department of Maryland;~~ and is in an amount not to exceed the reasonable value of the real property insured; and is of the type of coverage which bears a reasonable relation to the existing hazard or risk of loss, and provided finally that the borrower shall not be compelled to purchase from the licensee fire, life, or title insurance in connection with a secondary mortgage loan, however, this shall not be construed as prohibiting the lender from requiring any of the aforementioned insurance.