

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 108I be and it is hereby added to Article 11 - Banks and Trust Companies, of the Annotated Code of Maryland (1968 Replacement Volume and 1973 Supplement) to read as follows:

Article 11 - Banks and Trust Companies

108I.

ANY BANKING INSTITUTION HOLDING A FIRST MORTGAGE ON RESIDENTIAL PROPERTY THAT IS PARTIALLY INSURED BY A PRIVATE MORTGAGE INSURANCE CORPORATION MUST ELIMINATE AS A CHARGE TO THE MORTGAGOR THE INSURANCE PREMIUM PAID TO THE BANKING INSTITUTION WHEN THE PRINCIPAL ON THE MORTGAGE HAS BEEN REDUCED TO THE LEVEL AT WHICH THERE IS NO LONGER ANY OUTSTANDING LIABILITY ON THE PART OF THE PRIVATE MORTGAGE INSURANCE COMPANY.

SECTION 2. AND BE IT FURTHER ENACTED, That new Section 161MM-1 be and it is hereby added to Article 23 - Corporations, of the Annotated Code of Maryland (1973 Replacement Volume and 1973 Supplement) to read as follows:

Article 23 - Corporations

161MM-1.

ANY ASSOCIATION HOLDING A FIRST MORTGAGE ON RESIDENTIAL PROPERTY THAT IS PARTIALLY INSURED BY A PRIVATE MORTGAGE INSURANCE CORPORATION MUST ELIMINATE AS A CHARGE TO THE MORTGAGOR THE INSURANCE PREMIUM PAID TO THE ASSOCIATION WHEN THE PRINCIPAL ON THE MORTGAGE HAS BEEN REDUCED TO THE LEVEL AT WHICH THERE IS NO LONGER ANY OUTSTANDING LIABILITY ON THE PART OF THE PRIVATE MORTGAGE INSURANCE COMPANY.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1974.

Approved May 31, 1974.

---

CHAPTER 845

(House Bill 1754)

AN ACT concerning