

(1972 Replacement Volume and 1974 Supplement)

BY repealing and re-enacting, with amendments,

Article - Commercial Law  
 Section 12-401(c), 12-401(j) and 12-404(c)  
 Annotated Code of Maryland  
 (As enacted by Chapter \_\_\_ (HB26) of the Acts of the  
 General Assembly of 1975)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 40(a), 40(b-1) and 41 of Article 66 - Mortgages, of the Annotated Code of Maryland (1972 Replacement Volume and 1974 Supplement) be and they are hereby repealed and re-enacted, with amendments, to read as follows:

Article 66 - Mortgages

40.

In this subtitle, unless the context otherwise requires, the following words shall have the following meanings:

(a) "Secondary mortgage loan" means a loan OR DEFERRED PURCHASE PRICE secured in whole or in part by mortgage, deed of trust, security agreement or other lien on real estate situate in this State which property is subject to the lien of one or more prior encumbrances, other than a ground rent or other leasehold interest, having thereon a dwelling designed principally as a residence with accommodations for not more than four families. For the purpose of this subtitle, any person who ordinarily requires the signing of a confessed judgment note or consent judgment for the purposes of acquiring a lien on any real estate described herein or who requires a sale and leaseback of such property for such purposes shall be deemed to have made a loan secured by a lien on the real estate situate in this State. "Secondary mortgage loan" shall not mean a loan to any corporation unless the lender required the borrower to incorporate as a condition for obtaining the loan, [[NOR SHALL IT MEAN]] OR A LOAN FOR ANY BUSINESS PURPOSE OR COMMERCIAL INVESTMENT [[LOAN]] IN EXCESS OF \$5,000.

(b-1) "Lender" means a licensee or a person making A secondary mortgage [loans in the regular course of business but] LOAN WHO IS EXPRESSLY exempted from licensing by §41 of this article.