

REASONABLE COMPARABLE SECURITY. THE ADMINISTRATION SHALL REQUIRE EITHER THAT THE COLLATERAL BE HELD AT A BANK OR TRUST COMPANY AS INDEPENDENT CUSTODIAN OR THAT THE MORTGAGE LENDER ENTER INTO A SECURITY AGREEMENT THAT CONTAINS PROVISIONS THAT THE ADMINISTRATION CONSIDERS NECESSARY TO ADEQUATELY IDENTIFY, MAINTAIN, AND SERVICE THE COLLATERAL. THE SECURITY AGREEMENT SHALL PROVIDE THAT THE MORTGAGE LENDER HOLDS THE COLLATERAL AS AN AGENT FOR THE ADMINISTRATION AND IS ACCOUNTABLE AS THE TRUSTEE OF AN EXPRESS TRUST FOR ITS APPLICATION AND DISPOSITION, AND SHALL APPLY THE INCOME FROM THE COLLATERAL SOLELY TO USES AND PURPOSES IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT. A COPY OF EACH SECURITY AGREEMENT SHALL BE FILED WITH THE SECRETARY OF STATE, AND FURTHER FILING OR OTHER ACTION UNDER THE COMMERCIAL LAW ARTICLE OR ANY OTHER LAW OF THE STATE IS NOT REQUIRED TO PERFECT THE SECURITY INTEREST OF THE ADMINISTRATION IN THE COLLATERAL OR ITS PROCEEDS OR IN ANY ADDITION TO OR SUBSTITUTIONS FOR IT, AND THE LIEN AND TRUST FOR THE BENEFIT OF THE ADMINISTRATION SO CREATED IS BINDING FROM AND AFTER THE TIME MADE OF SUCH FILING AGAINST ALL PERSONS HAVING CLAIMS OF ANY KIND AGAINST THE MORTGAGE LENDER. THE ADMINISTRATION ALSO MAY ESTABLISH ADDITIONAL REQUIREMENTS THAT IT CONSIDERS NECESSARY WITH RESPECT TO THE PLEDGING, ASSIGNING, SETTING ASIDE, OR HOLDING OF THE COLLATERAL AND THE MAKING OF SUBSTITUTIONS FOR OR ADDITIONS TO IT AND THE DISPOSITION OF INTEREST AND INCOME FROM IT. NOTWITHSTANDING ANY OTHER LAW, A LOAN TO A MORTGAGE LENDER AND THE COLLATERAL FOR IT ARE NOT SUBJECT TO THE PROVISIONS OF ARTICLE 95, §§ 21, 21A, OR 22 OF THE CODE.

(G) THE MORTGAGE LENDER SHALL CERTIFY WITH RESPECT TO EVERY RESIDENTIAL MORTGAGE LOAN WHICH IT MAKES PURSUANT TO A PURCHASE COMMITMENT BY THE ADMINISTRATION, WITH THE PROCEEDS OF PURCHASE OF MORTGAGE LOANS BY THE ADMINISTRATION, OR WITH THE PROCEEDS OF A LOAN BY THE ADMINISTRATION, THAT IN ITS OPINION, BASED ON INFORMATION SUBMITTED BY THE MORTGAGOR AND ON ITS KNOWLEDGE OF THE PREVAILING TERMS AND STANDARDS OF MORTGAGE LENDING IN THE AREA, THE MORTGAGOR COULD NOT OBTAIN A MORTGAGE LOAN FOR THE PROPERTY IN THE UNASSISTED PRIVATE LENDING MARKET.

(H) ANY NEW OR EXISTING RESIDENTIAL MORTGAGE WHICH IS PURCHASED BY THE ADMINISTRATION OR IN WHICH THE ADMINISTRATION PURCHASES AN INTEREST AND ANY MORTGAGE MADE WITH THE PROCEEDS OF A LOAN MADE BY THE ADMINISTRATION TO A MORTGAGE LENDER MAY NOT BE ASSIGNED TO OR ASSUMED BY ANY PERSON NOT QUALIFIED UNDER THE APPROPRIATE ADMINISTRATION PROGRAM.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979.

Approved May 29, 1979.