

this State or of the United States regulating the power of such institution to engage in mortgage loan transactions shall make or negotiate, or offer to make or negotiate, any secondary mortgage loan except under the provisions of this subtitle. Any person who makes a secondary mortgage loan shall first obtain a license from the Commissioner as provided for by this subtitle, except for the following persons or instances:

(1) Any banking institution, savings bank, or association subject to Article 11 of this Code, any federal savings and loan association, insurance company, state-chartered building and loan association or any other financial institution which is subject to any other law of this State or of the United States regulating the power of such institution to engage in mortgage loan transactions.

(2) Any person who in aid of the sale of his own residence takes back a deferred purchase money secondary mortgage.

(3) Any person who makes less than ten secondary mortgage loans in any calendar year. SUCH LOANS SHALL BEAR INTEREST AT THE A RATE NOT TO EXCEED THE RATE AUTHORIZED BY SECTIONS--12-102--OR--12-103(A) TITLE 12, "SUBTITLE 4. SECONDARY MORTGAGE LOANS - CREDIT PROVISIONS" OF THE COMMERCIAL LAW ARTICLE.

(4) Any builder who in the aid of the sale of new residential dwellings built by him takes back a deferred purchase money secondary mortgage.

(5) Any nonprofit religious or charitable organization.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979.

Approved May 14, 1979.

CHAPTER 241

(Senate Bill 255)

AN ACT concerning

Credit Union Loans

FOR the purpose of eliminating the maximum amount that may be loaned by a credit union to a member on a first real estate mortgage lien security; increasing the amortization period for such loans; specifying the maximum rate of interest on such loans; and making stylistic changes.