

NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS, A SAVINGS AND LOAN ASSOCIATION ~~HAS ALL THE POWERS OF A FEDERAL ASSOCIATION~~ MAY RAISE CAPITAL UNDER THE SAME CONDITIONS AND TO THE SAME EXTENT AS A FEDERAL ASSOCIATION AS IF THE POWERS WERE SPECIFICALLY ENUMERATED IN THIS TITLE.

COMMITTEE COMMENT: This section replaces former Art. 23, § 161E(e)(3)(v).

In this section, the phrase "has all the powers of" was substituted for "raise capital under the same conditions...as" since capital is raised through the exercise of specific powers.

"Board of Commissioners", "federal association" and "savings and loan association" are defined in § 9-101 of this title.

9-421. ALTERNATIVE MORTGAGE INSTRUMENTS.

(A) ALTERNATIVE MORTGAGE INSTRUMENTS AUTHORIZED.

IN ACCORDANCE WITH THE REGULATIONS OF THE BOARD OF COMMISSIONERS, A SAVINGS AND LOAN ASSOCIATION MAY PERMIT BORROWERS TO REPAY INDEBTEDNESS ON A LOAN BY ANY METHOD OF REPAYMENT OR PLAN, INCLUDING A PLAN OR REPAYMENT OF INDEBTEDNESS ON A LOAN THAT IS OTHER THAN A DIRECT MONTHLY REDUCTION OF PRINCIPAL PLAN THAT HAS A FIXED INTEREST RATE, LEVEL PAYMENTS, AND FULL AMORTIZATION.

(B) DISCLOSURE TO BORROWER.

IF A SAVINGS AND LOAN ASSOCIATION OFFERS ANY ALTERNATIVE MORTGAGE INSTRUMENT ON AN OWNER-OCCUPIED RESIDENTIAL LOAN IN ADDITION TO A STANDARD DIRECT MONTHLY REDUCTION OF PRINCIPAL PLAN, AS REQUIRED BY THE BOARD OF COMMISSIONERS, THE ASSOCIATION SHALL GIVE EACH PROSPECTIVE BORROWER INFORMATION ON THE ALTERNATIVE PLAN AND THE STANDARD PLAN.

COMMITTEE COMMENT: This section is a new provision added to permit associations to meet the needs of home buyers in varying economic climates and it parallels comparable law in other jurisdictions. An association would be permitted to offer several types of plans or only one, as a matter of business judgment.

This section is presently conceived to encompass the Variable Rate Mortgage, the Reverse Annuity Mortgage, the Graduated Payment Mortgage, the Flip Mortgage, and the Renegotiated Rate Mortgage.

The Board of Commissioners has received an opinion from the State's Attorney General that