

(b) (1) [Any] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ANY person who willfully requires a borrower to make a false or misleading statement in violation of subsection (a), or who willfully procures such statement, knowing that it is false or misleading, shall forfeit to the borrower three times the amount of interest and charges contracted for or collected in excess of that permitted by law, in addition to any other penalty otherwise provided in this title.

(2) WHEN A LOAN OBTAINED BY A BORROWER IS NOT SUBJECT TO RESTRICTIONS IMPOSED BY LAW ON THE MAXIMUM AMOUNT OF A FINANCE CHARGE AND INTEREST, ANY PERSON WHO WILLFULLY REQUIRES A BORROWER TO MAKE A FALSE OR MISLEADING STATEMENT IN VIOLATION OF SUBSECTION (A) OF THIS SECTION, OR WHO WILLFULLY PROCURES SUCH A STATEMENT, KNOWING THAT IT IS FALSE OR MISLEADING, SHALL FORFEIT TO THE BORROWER THREE TIMES THE FINANCE CHARGE, ~~OR INTEREST~~, INTEREST, OR OTHER COMPENSATION WITH RESPECT TO THE LOAN, IN ADDITION TO ANY OTHER PENALTY OTHERWISE PROVIDED IN THIS TITLE.

(C) IF A WRITTEN COMPLAINT FOR VIOLATION OF THIS SECTION IS FILED WITH THE CONSUMER PROTECTION DIVISION OF THE DEPARTMENT OF LAW, THE DEPARTMENT MAY INVESTIGATE THE COMPLAINT AND HOLD A HEARING IN ACCORDANCE WITH TITLE 13 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1983.

Approved May 24, 1983.

CHAPTER 513

(Senate Bill 427)

AN ACT concerning

Secondary-Mortgage Loans - Commercial Purpose -
False Statements

FOR the purpose of requiring the Bank Commissioner to develop and prepare a form to be furnished by certain lenders to an applicant for a secondary mortgage loan; providing that the form shall state the rights that the borrower will forfeit if the loan is for a commercial purpose; providing for independent evidence that the loan is being sought for a certain purpose; ~~and--generally--relating--to--secondary mortgage--loans~~ providing that if a loan obtained by a borrower is not subject to restrictions imposed by law on the maximum amount of a finance charge and interest, any person who willfully procures or requires a false statement from a borrower shall forfeit the finance charge or interest and certain fees in addition to being liable for any other