

~~real-property, and OR MAY MAKE A SECONDARY MORTGAGE TO AID IN THE SALE OF THE BORROWER'S RESIDENCE OR PURCHASE OF A NEW RESIDENCE, AND may create a balloon payment at maturity of the deferred purchase money mortgage OR THE SECONDARY RESIDENTIAL MORTGAGE, if the balloon payment is-~~

(2) A LENDER, INCLUDING A SELLER WHO TAKES A MORTGAGE OR DEED OF TRUST TO SECURE PAYMENT OF ALL OR A PORTION OF THE PURCHASE PRICE OF A RESIDENCE SOLD TO A BORROWER, MAY MAKE A LOAN FOR THE PURPOSE OF AIDING THE BORROWER IN THE SALE OF THE BORROWER'S RESIDENCE OR THE PURCHASE OF A NEW RESIDENCE, AND MAY CREATE A BALLOON PAYMENT AT MATURITY OF THIS LOAN IF THE BALLOON PAYMENT IS:

- (i) Expressly disclosed to the borrower;
- (ii) Agreed to by both the borrower and the lender/seller in writing; and
- (iii) Required to be postponed one time, upon becoming due, at the borrower's request, for a period not to exceed 24 months, provided that the borrower continues to make the monthly installments provided for in the original loan agreement, and no new closing costs, processing fees or similar fees are imposed on the borrower as a result of the extension. HOWEVER, THE REQUIREMENT OF SUBPARAGRAPH (III) DOES NOT APPLY IF THE LOAN TERMS REQUIRE PAYMENT IN FULL WITHIN 12 MONTHS OR LESS, EXCEPT THAT A BORROWER MAY POSTPONE PAYMENT OF THE BALLOON PAYMENT ONCE FOR A PERIOD NOT TO EXCEED 6 MONTHS AND IF, DURING THE EXTENSION PERIOD, THE BORROWER CONTINUES TO MAKE PAYMENTS IN THE AMOUNT REQUIRED PRIOR TO MATURITY, THE LENDER MAY NOT IMPOSE ANY CHARGES OR FEES AS A RESULT OF THE EXTENSION PERIOD.

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

Approved May 10, 1983.

CHAPTER 107

(Senate Bill 218)

AN ACT concerning

Segmental Advisory Committee - Membership

FOR the purpose of altering the composition of the Segmental Advisory Committee to the State Board for Higher Education; and eliminating a limitation on the number of terms that a member may be reappointed.