

(i) (1) "Secondary mortgage loan" means a loan or deferred purchase price secured in whole or in part by a mortgage, deed of trust, security agreement, or other lien on real property located in the State, which property:

(i) Is subject to the lien of one or more prior encumbrances, except a ground rent or other leasehold interest; and

(ii) Has a dwelling on it designed principally as a residence with accommodations for not more than four families.

(2) "Secondary mortgage loan" does not include:

(i) A loan to any corporation unless the lender required the borrower to incorporate as a condition for obtaining the loan; or

(ii) A commercial loan of more than [\$5,000] ~~\$75,000~~ ~~\$50,000~~ \$75,000, as defined in § 12-101(c) of this article.

(3) If a commercial loan OF ~~\$75,000~~ ~~\$50,000~~ \$75,000 OR LESS is made in the name of an individual, secured by OWNER-OCCUPIED residential real property and not to a business or commercial organization, the lender or broker, as defined by the provisions of § 12-501 of the Financial Institutions Article, shall document independent evidence that the borrower is seeking funds for a legitimate commercial enterprise before the lender or broker grants any loan for that purpose. An affidavit is not by itself evidence of a commercial loan. However, if the borrower is seeking funds to start a business and has not yet incorporated or prepared documentation of proof of ownership of a commercial enterprise, an affidavit by itself is sufficient if it states the purpose for which the proceeds are to be used and the nature of the business conducted by the borrower.

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(c) A loan shall be amortized in equal or substantially equal monthly installments without a balloon payment at maturity, except that:

(1) Payment on the loan may be reduced or suspended until all prior liens or encumbrances are wholly or partially satisfied; [and]

(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: