

AN ACT concerning

Private Mortgage Insurance - Notice of Duty to Cancel

FOR the purpose of requiring mortgage lenders to give certain written notice to certain borrowers relating to the cancellation of private mortgage insurance; providing for certain penalties; and generally relating to private mortgage insurance and mortgage lenders.

BY repealing and reenacting, with amendments,

Article - Commercial Law
Section ~~12-106~~ 12-106 and 12-114(b)
Annotated Code of Maryland
(1983 Replacement Volume and 1987 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

12-106.

(a) This section does not apply to any loan:

(1) Described in § 12-103(e) of this subtitle; or

(2) Made under the Maryland Higher Education Loan Program Act.

(b) (1) Before the execution of a loan contract under this title, the lender shall furnish to the borrower a written statement which sets forth:

(i) The total principal amount of the loan and the total amount of finance charge as defined in the federal Truth-in-Lending Act to be paid, stated in dollars, except that on loans payable on demand, the total amount of finance charge to be paid shall be stated on a per diem basis;

(ii) The annual effective rate of simple interest charged, stated in percentage calculated to the nearest 0.2 percent; and

(iii) The itemized amount of payments in addition to interest payable to the lender in connection with the loan at the time the loan is made, stated in dollars.