

(D) (1) IN THIS SUBSECTION, "PROPERTY INSURANCE COVERAGE" MEANS PROPERTY INSURANCE AGAINST LOSSES CAUSED BY PERILS THAT COMMONLY ARE COVERED IN INSURANCE POLICIES DESCRIBED WITH TERMS SIMILAR TO "STANDARD FIRE" OR "STANDARD FIRE WITH EXTENDED COVERAGE".

(2) (I) A LENDER MAY NOT REQUIRE A BORROWER, UNDER AS A CONDITION TO RECEIVING OR MAINTAINING A LOAN SECURED BY A FIRST MORTGAGE OR FIRST DEED OF TRUST, TO PROVIDE OR PURCHASE PROPERTY INSURANCE COVERAGE AGAINST RISKS TO ANY IMPROVEMENTS ON ANY REAL PROPERTY IN AN AMOUNT EXCEEDING THE REPLACEMENT VALUE OF IMPROVEMENTS ON THE REAL PROPERTY.

(II) THE REPLACEMENT VALUE OF THE IMPROVEMENTS ON THE REAL PROPERTY SUBJECT TO THIS SUBSECTION SHALL BE DETERMINED BY THE INSURER SELECTED BY THE BORROWER TO PROVIDE THE PROPERTY INSURANCE. IN DETERMINING THE REPLACEMENT VALUE OF THE IMPROVEMENTS ON ANY REAL PROPERTY, THE LENDER MAY:

1. ACCEPT THE VALUE PLACED ON THE IMPROVEMENTS BY THE INSURER; OR

2. USE THE VALUE PLACED ON THE IMPROVEMENTS THAT IS DETERMINED BY THE LENDER'S APPRAISAL OF THE REAL PROPERTY.

(3) A VIOLATION OF THIS SUBSECTION OR OF SUBSECTION (B)(1) OF THIS SECTION SHALL ENTITLE THE BORROWER TO:

(I) SEEK AN INJUNCTION TO PROHIBIT THE LENDER WHO HAS ENGAGED OR IS ENGAGING IN THE VIOLATION FROM CONTINUING OR ENGAGING IN THE VIOLATION;

(II) REASONABLE ATTORNEY'S FEES; AND

(III) DAMAGES DIRECTLY RESULTING FROM THE VIOLATION.

(4) A VIOLATION OF THIS SUBSECTION OR OF SUBSECTION (B)(1) OF THIS SECTION DOES NOT AFFECT THE VALIDITY OF THE FIRST MORTGAGE OR FIRST DEED OF TRUST SECURING THE LOAN.

[(d)] (E) Under this subtitle, insurance may be obtained only:

(1) From an insurance company qualified to do business in the State; and

(2) At rates not exceeding those approved by the Insurance Division of the Department of Licensing and Regulation.