

1. THE CONSUMER BORROWER; AND

2. EXCEPT IN THE CASE OF CONSUMER GOODS, ANY OTHER PERSON WHO HAS A SECURITY INTEREST IN THE PROPERTY AND WHO:

A. HAS DULY FILED A FINANCING STATEMENT INDEXED IN THE NAME OF THE CONSUMER BORROWER IN THIS STATE; OR

B. IS KNOWN BY THE CREDIT GRANTOR TO HAVE A SECURITY INTEREST IN THE PROPERTY.

(III) 1. IF THE CONSUMER BORROWER OR OTHER PERSON ENTITLED TO RECEIVE NOTIFICATION OBJECTS IN WRITING WITHIN 30 DAYS FROM THE SENDING OF THE NOTIFICATION, THE CREDIT GRANTOR MUST TAKE REASONABLE ACTION TO DISPOSE OF THE PROPERTY IN THE MANNER PROVIDED UNDER SUBSECTION (J) OF THIS SECTION.

2. IN THE ABSENCE OF WRITTEN OBJECTION, THE CREDIT GRANTOR MAY RETAIN THE PROPERTY IN FULL SATISFACTION OF THE OUTSTANDING UNPAID INDEBTEDNESS UNDER THE LOAN.

(5) IF DESPITE COMPLYING WITH THE REQUIREMENTS OF THIS SECTION THERE IS NO SALE OF TANGIBLE PERSONAL PROPERTY SECURING A LOAN UNDER SUBSECTION (J) OF THIS SECTION:

(I) THE CREDIT GRANTOR MAY RETAIN THE PROPERTY WITHOUT OBLIGATION TO ACCOUNT TO THE BORROWER; AND

(II) IF THE PROPERTY IS RETAINED, ALL OBLIGATIONS OF THE BORROWER UNDER THE LOAN SHALL BE DISCHARGED.

12-1022.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "BORROWER" MEANS A CONSUMER BORROWER WHO MAKES AN APPLICATION FOR A LOAN SECURED BY A FIRST MORTGAGE OR FIRST DEED OF TRUST ON RESIDENTIAL REAL PROPERTY TO BE OCCUPIED BY THE BORROWER AS THE BORROWER'S PRIMARY RESIDENCE.

(3) "COMMITMENT" MEANS A WRITTEN, SPECIFIC, BINDING AGREEMENT BETWEEN A BORROWER AND A LENDER WHICH SETS FORTH THE TERMS OF A LOAN BEING EXTENDED TO THE BORROWER.

(4) "FINANCING AGREEMENT" MEANS A WRITTEN AGREEMENT BETWEEN A BORROWER AND A LENDER WHICH SETS FORTH THE TERMS OF A PURCHASE MONEY LOAN OR A REFINANCING OF AN EXISTING LOAN THAT:

(I) RESULTS IN OR IS SECURED BY A FIRST MORTGAGE OR A FIRST DEED OF TRUST ON RESIDENTIAL REAL PROPERTY TO BE OCCUPIED BY THE BORROWER; AND