

Approved May 27, 1999.

CHAPTER 634

(House Bill 427)

AN ACT concerning

Mortgage Lending - Private Mortgage Insurance

FOR the purpose of repealing certain provisions of State law that require certain lenders to furnish to borrowers a certain statement relating to private mortgage insurance; altering certain provisions of State law relating to private mortgage insurance to conform to the provisions of the federal Homeowners Protection Act of 1998; providing for the effective date of this Act; and generally relating to private mortgage insurance.

BY repealing ~~and reenacting, with amendments,~~

Article - Commercial Law

Section 12-106(d)

Annotated Code of Maryland

(1990 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, with amendments,

Article - Financial Institutions

Section 5-508 and 9-903

Annotated Code of Maryland

(1998 Replacement Volume and 1998 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.

[(d) (1) At the time of application for a loan under this title secured by residential real property, the lender shall furnish to the borrower a clear and conspicuous written statement, in print not smaller than 10 point type, specifying that if private mortgage insurance is required to be purchased as a condition for making the loan, the borrower may be eligible to request that under appropriate circumstances the private mortgage insurance be canceled. The statement shall be signed by the borrower and a copy shall be furnished to the borrower.]

~~(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO ANY LOAN SUBJECT TO THE DISCLOSURE PROVISIONS OF THE FEDERAL HOMEOWNERS PROTECTION ACT OF 1998, IF THE LENDER COMPLIES AT LOAN CONSUMMATION WITH THE DISCLOSURE REQUIREMENTS OF THE ACT.~~