

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

Article - Commercial Law

12-124.1.

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

(2) "COVERED LOAN" MEANS A MORTGAGE LOAN MADE UNDER THIS SUBTITLE THAT MEETS THE CRITERIA DESCRIBED FOR A LOAN SUBJECT TO THE FEDERAL HOME OWNERSHIP EQUITY PROTECTION ACT SET FORTH IN 15 U.S.C. § 1602(AA), AS MODIFIED FROM TIME TO TIME BY REGULATION Z, 12 C.F.R. PART 226, EXCEPT THAT THE COMPARISON PERCENTAGES FOR THE MORTGAGE LOAN SHALL BE ONE PERCENTAGE POINT LESS THAN THOSE SPECIFIED IN 15 U.S.C. § 1602(AA), AS MODIFIED FROM TIME TO TIME BY REGULATION Z, 12 C.F.R. PART 226.

(3) "CREDIT HEALTH INSURANCE" HAS THE MEANING STATED IN § 13-101 OF THE INSURANCE ARTICLE.

(4) "CREDIT INVOLUNTARY UNEMPLOYMENT BENEFIT INSURANCE" HAS THE MEANING STATED IN § 13-301 OF THE INSURANCE ARTICLE.

(5) (I) "CREDIT LIFE INSURANCE" MEANS INSURANCE ON THE LIFE OF A BORROWER THAT PROVIDES INDEMNITY FOR REPAYMENT OF A SPECIFIC LOAN OR CREDIT TRANSACTION ON THE DEATH OF THE BORROWER.

(II) "CREDIT LIFE INSURANCE" DOES NOT INCLUDE LIFE INSURANCE PAYABLE TO A BENEFICIARY DESIGNATED BY THE BORROWER OTHER THAN THE OBLIGEE OF A SPECIFIC LOAN OR CREDIT TRANSACTION.

(6) "HOME BUYER EDUCATION OR HOUSING COUNSELING" MEANS INSTRUCTION ON PREPARING FOR HOME OWNERSHIP, SHOPPING FOR A HOME, OBTAINING A MORTGAGE, LOAN CLOSING, AND LIFE AS A HOMEOWNER.

(7) "MORTGAGE LOAN" HAS THE MEANING STATED IN § 11-501 OF THE FINANCIAL INSTITUTIONS ARTICLE.

(8) "PREMIUM" HAS THE MEANING STATED IN § 1-101 OF THE INSURANCE ARTICLE.

(9) "SINGLE PREMIUM COVERAGE" MEANS INSURANCE FOR WHICH THE TOTAL PREMIUM IS PAYABLE IN ONE LUMP SUM AT OR BEFORE THE TIME COVERAGE COMMENCES.

(B) (1) EXCEPT AS PROVIDED IN THIS SUBSECTION, A LENDER MAKING A COVERED LOAN MAY NOT FINANCE AS A PART OF THE COVERED LOAN TRANSACTION SINGLE PREMIUM COVERAGE FOR:

(I) CREDIT HEALTH INSURANCE;