

(D) (1) A LENDER MAY NOT MAKE A COVERED LOAN WITHOUT GIVING DUE REGARD TO THE BORROWER'S ABILITY TO REPAY THE LOAN IN ACCORDANCE WITH ITS TERMS.

(2) A BORROWER IS PRESUMED TO BE ABLE TO REPAY A LOAN IF AT THE TIME THE LOAN IS MADE THE BORROWER'S TOTAL SCHEDULED MONTHLY PAYMENT OBLIGATIONS, INCLUDING THE REQUIRED LOAN PAYMENT, DO NOT EXCEED 40 45 PERCENT OF THE BORROWER'S MONTHLY GROSS INCOME.

(3) THIS SUBSECTION DOES NOT APPLY TO A COVERED LOAN TO A BORROWER WHOSE MONTHLY GROSS INCOME IS GREATER THAN 120 PERCENT OF THE MEDIAN FAMILY INCOME FOR THE METROPOLITAN STATISTICAL AREA IN WHICH THE RESIDENTIAL REAL PROPERTY SECURING THE LOAN IS LOCATED.

(E) (1) IN THIS SUBSECTION, "LOAN APPLICATION" HAS THE MEANING STATED IN § 12-125 OF THIS TITLE.

(2) AT THE TIME A BORROWER COMPLETES A LOAN APPLICATION FOR A COVERED LOAN, THE LENDER SHALL PROVIDE THE BORROWER WITH:

(I) A WRITTEN RECOMMENDATION THAT THE BORROWER SEEK HOME BUYER EDUCATION OR HOUSING COUNSELING; AND

(II) A LIST OF AGENCIES AND ORGANIZATIONS APPROVED BY THE COUNTY IN WHICH THE RESIDENTIAL REAL PROPERTY SECURING THE COVERED LOAN IS LOCATED TO PROVIDE HOME BUYER EDUCATION OR HOUSING COUNSELING.

12-312.

(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 § 13-101 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.