

(2) At rates not exceeding those approved by the Insurance Administration.

[(f)] (G) Within 25 days after a lender has charged for any insurance in connection with a loan, he shall deliver a copy of the appropriate policy or certificate to the borrower.

12-409.1.

(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) "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.

(4) "RESIDENTIAL REAL PROPERTY" MEANS OWNER-OCCUPIED REAL PROPERTY HAVING A DWELLING ON IT DESIGNED PRINCIPALLY AS A RESIDENCE WITH ACCOMMODATIONS FOR NOT MORE THAN FOUR FAMILIES.

(B) (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.

(C) (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