

[(d)] (H) A lender may not require the borrower to purchase any insurance:

- (1) Through a particular insurance producer or insurance company; or
- (2) From the lender.

12-1007.

(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.

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

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

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

(B) In connection with a loan to a consumer borrower:

(1) The purchase of credit life INSURANCE, credit [accident and] health INSURANCE, [credit disability,] CREDIT involuntary unemployment benefit INSURANCE, and similar insurance coverages is optional with the consumer borrower; and

(2) Subject to § 12-1007.1 of this subtitle, the purchase of property insurance, title insurance, and credit loss insurance from an insurer of the borrower's choice may be required if the loan is secured.