

(1) "ACTUARIAL METHOD" MEANS THE METHOD OF ALLOCATING PAYMENTS MADE ON A LOAN BETWEEN THE OUTSTANDING PRINCIPAL BALANCE OF THE LOAN AND INTEREST, BY WHICH A PAYMENT IS APPLIED FIRST TO THE ACCUMULATED INTEREST, AND ANY REMAINDER IS SUBTRACTED FROM THE OUTSTANDING PRINCIPAL BALANCE OF THE LOAN.

(2) "PRECOMPUTED INTEREST CHARGE" MEANS INTEREST AS COMPUTED BY AN ADD ON, DISCOUNT, OR OTHER SIMILAR METHOD.

(3) "PAYMENT PERIOD" MEANS THE TIME PERIOD WITHIN WHICH SCHEDULED PAYMENTS ON A LOAN ARE DUE AS PROVIDED IN THE AGREEMENT, NOTE, OR OTHER EVIDENCE OF THE LOAN.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed retroactively and shall be applied if applicable, to and interpreted to affect ~~all applicable purchase money loans that are secured by a first mortgage or deed of trust on the borrower's primary residence that have~~ loans which are secured by a mortgage or deed of trust on a borrower's primary residence and which are not commercial loans that have an outstanding unpaid indebtedness on July 1, 1991.

SECTION 3. AND BE IT FURTHER ENACTED, That if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1991.

Approved May 14, 1991.

CHAPTER 410

(House Bill 855)

AN ACT concerning

Insurance – Agents and Brokers – Disciplinary Actions

FOR the purpose of specifying that applicants for certificates of qualification as an insurance agent or broker may be denied a certificate of qualification, and that agents and brokers may be disciplined for soliciting, procuring, or negotiating insurance contracts of an unauthorized insurer; providing for a certain penalty; and generally relating to disciplinary action against insurance agents or brokers.

BY repealing and reenacting, with amendments,

Article 48A – Insurance Code

Section 175