

(3) "SETTLEMENT" MEANS THE PROCESS OF EXECUTING AND DELIVERING TO THE LENDER OR THE AGENT RESPONSIBLE FOR SETTLEMENT, LEGALLY BINDING DOCUMENTS EVIDENCING OR SECURING A LOAN SECURED BY A DEED OF TRUST OR MORTGAGE ENCUMBERING REAL PROPERTY IN THIS STATE.

(b) ¶ (1) In any CONSUMER LOAN transaction [for the sale of real property] IN WHICH THE LOAN IS SECURED BY A PURCHASE MONEY MORTGAGE OR DEED OF TRUST ON REAL PROPERTY LOCATED IN THIS STATE, on or before the day of closing: SETTLEMENT, [a] THE lender shall disburse the loan PROCEEDS IN ACCORDANCE WITH THE LOAN DOCUMENTS to the agent responsible for settlement as provided in ~~subsection~~ SUBSECTIONS [(c)] ~~(B) (C) AND (D)~~ of this section.

(2) IN ANY CONSUMER LOAN TRANSACTION IN WHICH THE LOAN IS SECURED BY A SECONDARY DEED OF TRUST OR MORTGAGE ON REAL PROPERTY LOCATED IN THIS STATE, ON OR BEFORE THE DAY OF CLOSING FUNDING THE AGENT RESPONSIBLE FOR SETTLEMENT MAY REQUIRE THE LENDER TO DISBURSE THE LOAN PROCEEDS AS PROVIDED IN SUBSECTION (B) OF THIS SECTION PARAGRAPH (1) OF THIS SUBSECTION.

~~[(c)] (B)~~ EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, [A] THE lender shall disburse the loan to the agent responsible for settlement PROCEEDS in the form of:

- (1) Cash;
- (2) Wired funds;
- (3) A certified check;
- (4) A check issued by a political subdivision OR ON BEHALF OF A GOVERNMENTAL ENTITY;
- (5) A teller's check issued by a depository institution and drawn on another depository institution; OR
- (6) A cashier's check[; or
- (7) A check drawn on a financial institution that is insured by FDIC (Federal Deposit Insurance Corporation), FSLIC (Federal Savings and Loan Insurance Corporation), or MDIF (State of Maryland Deposit Insurance Fund Corporation), and which is located in the 5th Federal Reserve District].

(D) IN ADDITION TO THE METHODS OF LOAN DISBURSEMENT PROVIDED IN SUBSECTION (C) OF THIS SECTION, AN AFFILIATE OR SUBSIDIARY OF A FINANCIAL INSTITUTION INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR THE NATIONAL CREDIT UNION ADMINISTRATION SHARE INSURANCE PROGRAM MAY DISBURSE THE LOAN PROCEEDS MAY BE DISBURSED IN THE FORM OF A CHECK DRAWN ON A FINANCIAL INSTITUTION INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION AND LOCATED IN THE 5TH FEDERAL RESERVE DISTRICT IF THE LENDER IS: