

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Commercial Law

12-105.

(A) ~~(1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "ANNUAL PERCENTAGE RATE" HAS THE MEANING STATED IN 12 C.F.R. PART 226.~~

~~(3) "FULLY INDEXED RATE" MEANS THE INDEX RATE APPLICABLE TO A MORTGAGE LOAN FOR A RESIDENTIAL REAL PROPERTY AT THE TIME IT IS ORIGINATED, PLUS THE MARGIN THAT WILL APPLY AFTER THE EXPIRATION OF AN INTRODUCTORY INTEREST RATE.~~

~~(4) "MORTGAGE MORTGAGE LOAN" HAS THE MEANING STATED IN § 11-501 OF THE FINANCIAL INSTITUTIONS ARTICLE.~~

~~(5) "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.~~

~~(6) "SUBPRIME LOAN" MEANS:~~

~~(i) IN THE CASE OF AN ADJUSTABLE RATE MORTGAGE LOAN SECURED BY A FIRST LIEN ON RESIDENTIAL REAL PROPERTY THAT CAN INCREASE IN INTEREST RATE BUT NOT DECREASE IN INTEREST RATE BELOW THE FULLY INDEXED RATE AT THE TIME OF ORIGINATION, A MORTGAGE LOAN FOR WHICH THE ANNUAL PERCENTAGE RATE IS GREATER THAN 2 PERCENTAGE POINTS ABOVE THE YIELD ON UNITED STATES TREASURY SECURITIES HAVING COMPARABLE PERIODS OF MATURITY:~~

~~1. AS OF THE 15TH DAY OF THE PRECEDING MONTH IF THE RATE IS SET BETWEEN THE FIRST AND 14TH DAY OF THE MONTH; AND~~

~~2. AS OF THE 15TH DAY OF THE CURRENT MONTH IF THE RATE IS SET ON OR AFTER THE 15TH DAY; AND~~