SENATE BILL 1101

I2 7lr3587

By: Senator Ready

Introduced and read first time: February 17, 2017

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

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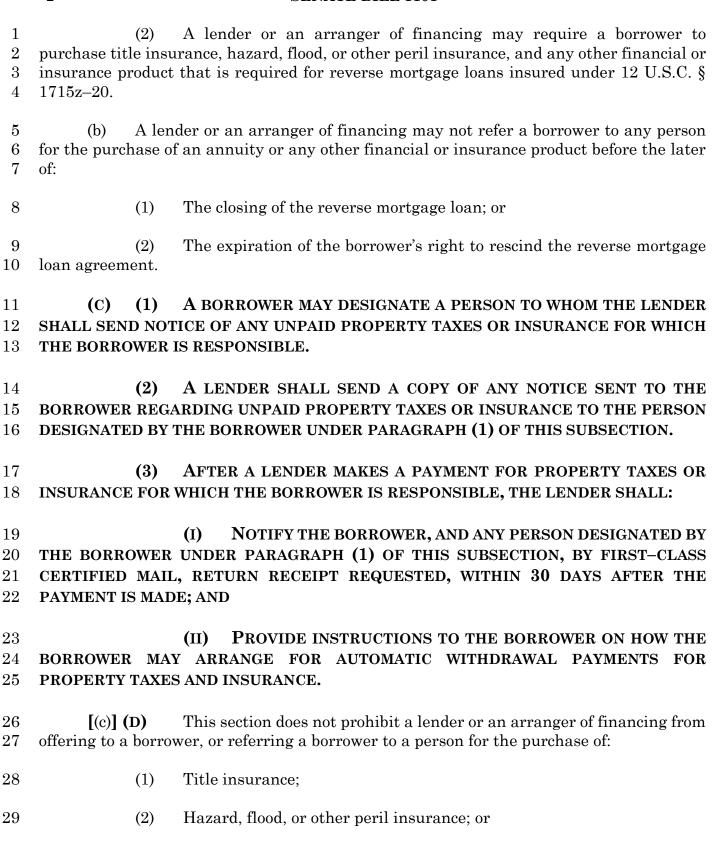
Reverse Mortgages - Property Tax and Insurance Payments - Notice

- 3 FOR the purpose of authorizing a borrower under a reverse mortgage loan to designate a 4 person to whom certain notice must be sent by a reverse mortgage lender; requiring 5 a reverse mortgage lender to send a copy of a certain notice to a certain person 6 designated by a reverse mortgage borrower; requiring a reverse mortgage lender to 7 send a certain notice to a reverse mortgage borrower and a certain person designated 8 by the borrower after the lender makes a payment for certain taxes or insurance; 9 requiring the notice to be sent in a certain manner and within a certain time period and to contain certain information; providing for the application of this Act; and 10 11 generally relating to reverse mortgages.
- 12 BY repealing and reenacting, with amendments,
- 13 Article Commercial Law
- 14 Section 12–1206
- 15 Annotated Code of Maryland
- 16 (2013 Replacement Volume and 2016 Supplement)
- 17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND.
- 18 That the Laws of Maryland read as follows:
- 19 Article Commercial Law
- 20 12-1206.
- 21 (a) (1) Except as provided in paragraph (2) of this subsection, a lender or an arranger of financing may not require a borrower to purchase an annuity, a long—term care policy, or other financial or insurance product as a condition to obtaining a reverse mortgage loan.



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(3)



Other products that are customary under a reverse mortgage loan.

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SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any reverse mortgage loan applied for before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 5 October 1, 2017.