

61-2d-102 Definitions.

As used in this part:

- (1) "Accelerate" means a demand for immediate repayment of the entire balance of a residential mortgage loan.
- (2) "Borrower" means a person that:
 - (a) seeks a high-cost mortgage; or
 - (b) is obligated under a high-cost mortgage.
- (3) "High-cost mortgage" means a borrower credit transaction that is secured by the borrower's principal dwelling, if any of the following apply with respect to such borrower credit transaction:
 - (a) the transaction is secured by a first mortgage on the borrower's principal dwelling and the annual percentage rate on the credit, at the consummation of the transaction, will exceed by more than eight percentage points the yield on treasury securities having comparable periods of maturity on the 15th day of the month immediately preceding the month in which the application for the extension of credit is received by the lender;
 - (b) the transaction is secured by a junior or subordinate mortgage on the borrower's principal dwelling and the annual percentage rate on the credit, at the consummation of the transaction, will exceed 10 percentage points the yield on treasury securities having comparable periods of maturity on the 15th day of the month immediately preceding the month in which the application for the extension of credit is received by the lender; or
 - (c)
 - (i) the total points and fees payable at or before the transaction will exceed the greater of 8% of the total loan amount or \$400;
 - (ii)
 - (A) the \$400 figure shall be adjusted annually on January 1 to match the adjusted number adopted by the Board of Governors of the Federal Reserve in accordance with Section 226.32(a)(1)(ii) of the Code of Federal Regulations; or
 - (B) if the Board of Governors of the Federal Reserve System does not announce an adjusted figure, the last adjustment of the \$400 figure shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index that was reported on the preceding June 1; and
 - (d) the loan is made by or originated through a person or business required to hold a license as provided in Title 61, Chapter 2c, Utah Residential Mortgage Practices and Licensing Act.
- (4) "Lender" means a person that:
 - (a) offers a high-cost mortgage; or
 - (b) extends a high-cost mortgage; and
 - (c) is required to have a license as provided in Title 61, Chapter 2c, Utah Residential Mortgage Practices and Licensing Act.
- (5) "Prepay" or "prepayment" means to make a payment to a lender that:
 - (a) is more than the amount of the next scheduled payment due;
 - (b) pays more than half of the principal balance of the high-cost mortgage; and
 - (c) is paid more than 24 months before the last scheduled payment according to the terms of the high-cost mortgage when it is made.
- (6) "Residential mortgage transaction" means a transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained in the borrower's principal dwelling to finance the acquisition or initial construction of that dwelling.
- (7) "Reverse mortgage transaction" means a nonrecourse borrower credit obligation in which:

- (a) a mortgage, deed of trust, or equivalent consensual security interest securing one or more advances is created in the borrower's principal dwelling; and
- (b) any principal, interest, or shared appreciation or equity is due and payable, other than in the case of default, only after:
 - (i) the borrower dies;
 - (ii) the dwelling is transferred; or
 - (iii) the borrower ceases to occupy the dwelling as a principal dwelling.

Amended by Chapter 372, 2009 General Session