

61-2d-105 Financing points and fees -- Restrictions.

- (1) A lender may not, in connection with the formation or consummation of a high-cost mortgage, finance, directly or indirectly, any portion of the points, fees, or other charges payable to the lender or any third party in an amount in excess of 8% of the total loan amount, unless the following additional disclosures are made to the borrower in conspicuous type size:
 - (a) "You are not required to complete this agreement merely because you have received these disclosures or have signed the loan application."
 - (b) "If you obtain this loan, the lender will have a mortgage on your home. You could lose your home or property, and any money you have put into it, if you do not meet your obligations under this loan."
 - (c) "The timing and amount of payments on debts you already are carrying contribute to the credit rating that is used to determine whether you may get a new loan and how much you will pay for that new loan. You should not accept any advice to ignore or delay making any payment on loans you already have, even if those loans will be paid off with the new loan."
 - (d) "You may get into serious financial difficulties if you use this loan to pay off old debts and then run up other new debts."
- (2) The disclosures required by this section shall be given to the borrower no less than three business days prior to consummation of the transaction.
- (3) After providing the disclosure required by this section, a lender may not change the terms of the extension of credit if such changes make the disclosures inaccurate, unless new disclosures are provided that meet the requirements of this section.
- (4) A lender may provide new disclosures pursuant to Subsection (3) by telephone, if:
 - (a) the change is initiated by the borrower; and
 - (b) at the consummation of the transaction under which the credit is extended:
 - (i) the lender provides to the borrower the new disclosures in writing; and
 - (ii) the lender and borrower certify in writing that the new disclosures were provided by telephone, at least three days prior to the date of consummation of the transaction.

Enacted by Chapter 252, 2004 General Session