



# House of Representatives *State of Utah*

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February 13, 2004

Mr. Speaker:

The Business and Labor Committee recommends **H.B. 160**, MORTGAGE ACT AMENDMENTS, by Representative W. Harper, be replaced and reports a favorable recommendation on **2nd Sub. H.B. 160**, MORTGAGE ACT AMENDMENTS with the following amendments:

1. *Page 2, Line 32:*

32           [[~~61-2d-108~~, Utah Code Annotated 1953-]]

2. *Page 5, Lines 120 through 122:*

120           [[~~A high-cost mortgage may not include terms under which the outstanding~~  
~~principal~~

121           ~~balance will increase at any time over the course of the loan because the regular~~  
~~periodic~~

122           ~~payments do not cover the full amount of the interest due.-]]   A high cost  
mortgage shall provide for regular, periodic payments sufficient to pay:  
(a) all accrued interest and a portion of principal on the scheduled due date for  
each payment; and  
(b) the full amount owed during the term of the loan, if no late fees or other  
contingent charges are incurred.~~

3. *Page 6, Line 159:*

159           (1) the offer or sale of any insurance policy, on a single premium or single fee  
basis, that insures,

4. *Page 6, Lines 167 through 179:*

[[~~167~~           Section 8. Section ~~61-2d-108~~ is enacted to read:

168           ~~61-2d-108. Limitations on refinancing.~~

169           ~~(1) A lender may not refinance a high-cost mortgage made by that lender or an~~

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affiliate  
170 of that lender with another high-cost mortgage during the one-year period  
beginning on the  
171 date of the consummation of the prior high-cost mortgage.  
172 — (2) A mortgage broker may not arrange for the refinancing of a high-cost  
mortgage  
173 made through the same broker or an affiliate of that broker with another high-cost  
mortgage  
174 during the one-year period beginning on the date of consummation of the prior  
high-cost  
175 mortgage.  
176 — (3) This section does not apply if the scheduled finance charge for the balance  
of the  
177 prior existing high-cost mortgage exceeds the scheduled finance charge for the  
subsequent  
178 high-cost mortgage by an amount greater than the amount of the fees and charges  
imposed by  
179 the lender for the subsequent mortgage.]]

5. Page 7, Lines 190 through 192:

190 (1) A lender may not recommend or encourage default or nonpayment leading to  
foreclosure on an existing  
191 loan or other debt prior to and in connection with the closing or planned closing of a  
high-cost  
192 mortgage that refinances all or any portion of such existing loan or debt.

6. Page 8, Lines 216 through 217:

216 Failure to [[provide the notices or information described in Subsection  
61-2d-105(1) and  
217 Sections 61-2d-111 and 61-2d-112.]] comply with any provision under this  
chapter does not affect the enforceability of the loan or any of its

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Respectfully,

Katherine M. Bryson  
Committee Chair

Voting: 12-0-1

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