

**Effective 5/12/2015**

**Part 1  
General Provisions**

**57-28-101 Title.**

- (1) This chapter is known as the "Utah Reverse Mortgage Act."
- (2) This part is known as "General Provisions."

Enacted by Chapter 290, 2015 General Session

**57-28-102 Definitions.**

- (1) "Borrower" means an individual who executes an agreement for a reverse mortgage.
- (2) "Dwelling" means:
  - (a) a one- to four-family residence in which the borrower occupies at least one unit;
  - (b) a condominium project approved by the United States Department of Housing and Urban Development; or
  - (c) a manufactured home built after June 1976.
- (3) "Independent housing counselor" means a person who is listed on the United States Department of Housing and Urban Development's Home Equity Conversion Mortgage Counselor Roster described in 24 C.F.R. Part 206.
- (4) "Lender" means a person who makes a reverse mortgage.
- (5) "Line of credit payment option" means a loan disbursement plan for a reverse mortgage under which the lender pays the loan proceeds to the borrower at times and in amounts determined by the borrower.
- (6) "Means-tested program of aid to individuals" means any law or program that relates to payments, allowances, benefits, or services that are provided on a means-tested basis by the state.
- (7) "Principal residence" means the dwelling:
  - (a) that an individual maintains as the individual's permanent place of abode; and
  - (b) where the individual typically spends the majority of the calendar year.
- (8) "Reverse mortgage" means a nonrecourse loan that:
  - (a) is secured by the borrower's principal residence;
  - (b) provides cash advances to the borrower based on the borrower's equity in the borrower's principal residence; and
  - (c) does not require payment of principal or interest until:
    - (i) each borrower dies;
    - (ii) the borrower's principal residence is transferred;
    - (iii) the dwelling that secures the loan is no longer the borrower's principal residence;
    - (iv)
      - (A) the borrower fails to occupy the property that secures the loan for more than 12 months because of physical or mental illness; and
      - (B) no other borrower maintains the property as a principal residence; or
    - (v) the borrower defaults.
- (9) "Tenure payment option" means a loan disbursement plan for a reverse mortgage under which the lender pays the loan proceeds to the borrower in equal monthly installments for as long as the dwelling that secures the reverse mortgage remains the borrower's principal residence.

(10) "Term payment option" means a loan disbursement plan for a reverse mortgage under which the lender pays the loan proceeds to the borrower in equal monthly installments for a fixed term that is chosen by the lender.

Enacted by Chapter 290, 2015 General Session