

# 1st Sub. H.B. 191

## MORTGAGE LENDING DISCLOSURES

Representative **Gerry A. Adair** proposes the following amendments:

1. Page 1, Line 18: After line 18 insert:  
"61-2c-303, Utah Code Annotated 1953"
  
2. Page 7, Line 206: After line 206 insert:  
"Section 5. Section **61-2c-303** is enacted to read:  
**61-2c-303. Notice requirements.**  
(1) Every person in the business of residential mortgage loans shall give to each person from whom it receives or for whom it prepares a written application for a residential mortgage loan:  
(a) a written notice disclosing, if such is the case, that the residential mortgage loan applied for will result in total indebtedness secured by mortgages against the applicant's dwelling exceeding the fair market value of the dwelling and informing the applicant that this loan-to-value circumstance:  
(i) may adversely affect the ability of the applicant in the future to refinance or sell the dwelling; and  
(ii) may have adverse consequences on the deductibility of interest paid on the mortgage loan by the applicant for income tax purposes;  
(b) a written notice disclosing, if the lender offers mortgage life or disability insurance to the applicant:  
(i) that the applicant is not required to purchase mortgage life or disability insurance in connection with the residential mortgage loan; and  
(ii) the applicant's right to receive a refund of amounts paid by the applicant in certain circumstances under applicable law; and  
(c) a written notice disclosing, if such is the case, that a prepayment penalty or fee may be owed in connection with the residential mortgage loan, including:  
(i) details of when the prepayment penalty or fee may be owed and a description of how it will be calculated; and  
(ii) an illustration of how the prepayment penalty or fee would be

calculated on a \$100,000 principal payoff.

(2) Subsection (1)(c) does not apply to a federally insured mortgage loan or to a mortgage loan by the Utah Housing Corporation.

(3) The written notices required by this section shall be provided at the time of receipt or preparation of the application."

Page 7-8, Lines 207-235

Delete Lines 207-235.