

H.B. 264
REVISOR'S STATUTE

Representative **Stephen H. Urquhart** proposes the following amendments:

1. Page 3, Line 74:

74 ~~{ 57-15-8.5, as enacted by Chapter 224, Laws of Utah 1981 }~~

2. Page 79, Line 2424 through Page 80, Line 2454:

2424 ~~{ Section 52. 57-15-8.5 is amended to read:~~
2425 ~~—— 57-15-8.5. Acceleration -- Conditions authorizing -- Exemption of loans sold to~~
2426 ~~federal agencies.~~
2427 ~~—— (1) Notwithstanding the provisions of Sections 57-15-2 and 57-15-4, a lender or~~
2428 ~~secured party may accelerate or mature an indebtedness upon assumption of that indebtedness~~
2429 ~~if:~~
2430 ~~—— [(1)] (a) a written agreement with, or a written instrument executed by, the obligor on~~
2431 ~~the indebtedness allows the secured party or lender to accelerate or mature the indebtedness~~
2432 ~~and/or increase the interest rate thereon upon assumption of the indebtedness; [and]~~
2433 ~~—— [(2)] (b) (i) the secured party or lender has offered to accept the assumption without~~
2434 ~~acceleration and without maturing the indebtedness provided the assumer agree to pay the~~
2435 ~~secured party or lender not more than a 1% assumption fee, a not more than 1% interest rate~~
2436 ~~increase effective as of the date of assumption, whichever is earlier, and a further not more than~~
2437 ~~1% interest rate increase effective a date five years after the date of assumption, whichever is~~
2438 ~~earlier]. Neither of said]; and~~
2439 ~~—— (ii) that neither of the interest rate increases in Subsection (1)(b)(i) may cause the total~~
2440 ~~interest rate on the indebtedness to exceed 1% below the weighted average yield of the Federal~~
2441 ~~Home Loan Mortgage Corporation weekly auction for purchases of mortgages secured by~~
2442 ~~residential 1 to 4 family dwellings in effect on the date of the increase; and~~
2443 ~~—— [(3)] (c) the assumer has refused to consent to such assumption fee and interest rate~~
2444 ~~increases:~~
2445 ~~—— (2) As used in this section, [the term] "obligor" [shall mean] means the original~~
2446 ~~borrower or, if the secured party or lender has previously approved, and pursuant to that~~
2447 ~~approval there has been effected, an assumption of the indebtedness, the person last approved~~
2448 ~~as an assumer and who has assumed the indebtedness.~~
2449 ~~—— (3) If a determination is made by the Federal National Mortgage Association or by the~~
2450 ~~Federal Home Loan Mortgage Corporation that it will not purchase Utah mortgage loans~~
2451 ~~because of the effects of this [act] chapter, and such determination is communicated in writing~~

2452 ~~to the Legislature or governor of this state, then this [act] chapter will not apply, after receipt of~~
2453 ~~such communication, to any mortgages originated after the effective date of this [act] chapter~~
2454 ~~and sold to the entity making such determination. }~~

Renumber remaining sections accordingly.