

**H.B. 264**  
**REVISOR'S STATUTE**

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

1. *Page 3, Lines 73 through 74:*

73           57-12-14, as enacted by Chapters 295 and 321, Laws of Utah 1998  
74           { ~~57-15-8.5, as enacted by Chapter 224, Laws of Utah 1981~~ }

2. *Page 79, Line 2423 through Page 80, Line 2454:*

2423           (ii) require the agency to pay the costs of the first additional appraisal.  
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.~~ }

3. Page 87, Lines 2687 through 2688:

2687 (B) the [targeted] federal funds rate target :  
2688 (I) {~~as defined in~~} [~~12 C.F.R. Sec. 201.2~~] {~~31 C.F.R. Sec. 203.2~~} established by the  
Federal Open Markets Committee ; and

4. Page 89, Lines 2733 through 2734:

2733 (ii) the [targeted] federal funds rate target :  
2734 (A) {~~as defined in~~} [~~12 C.F.R. Sec. 201.2~~] {~~31 C.F.R. Sec. 203.2~~} established by the  
Federal Open Markets Committee ; and

5. Page 90, Lines 2757 through 2758:

2757 (ii) the [targeted] federal funds rate target :  
2758 (A) {~~as defined in~~} [~~12 C.F.R. Sec. 201.2~~] {~~31 C.F.R. Sec. 203.2~~} established by the  
Federal Open Markets Committee ; and

6. Page 91, Lines 2799 through 2800:

2799 (ii) the [targeted] federal funds rate target :  
2800 (A) {~~as defined in~~} [~~12 C.F.R. Sec. 201.2~~] {~~31 C.F.R. Sec. 203.2~~} established by the  
Federal Open Markets Committee ; and