

Article - Commercial Law
Section 12-404(c)(2)(iii)
Annotated Code of Maryland
(1983 Replacement Volume and 1984 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

12-404.

(c) A loan shall be amortized in equal or substantially equal monthly installments without a balloon payment at maturity, except that:

(2) A lender, including a seller who takes a mortgage or deed of trust to secure payment of all or a portion of the purchase price of a residence sold to a borrower, may make a loan for the purpose of aiding the borrower in the sale of the borrower's residence or the purchase of a new residence, and may create a balloon payment at maturity of this loan if the balloon payment is:

(iii) Required to be postponed one time, upon becoming due, at the borrower's request, for a period ~~NOT LONGER THAN THE ORIGINAL TERM OF THE LOAN~~, not to exceed 24- 6 months, provided that the borrower continues to make the monthly installments provided for in the original loan agreement, and no new closing costs, processing fees or similar fees are imposed on the borrower as a result of the extension. ~~However,--the requirement of this subparagraph does not apply if the loan terms require payment in full within 12 months or less, except--that--a borrower--may--postpone payment of the balloon payment once for a period not to exceed--6--months--and--if,--during--the--extension period,--the--borrower--continues--to make payments in the amount required prior to maturity,--the lender may not impose any charges or fees as a result of the extension period.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1985.

Approved May 28, 1985.

CHAPTER 598

(House Bill 208)

AN ACT concerning