

**CHAPTER 421**

**(House Bill 1447)**

AN ACT concerning

**Real Property— Mortgages and Deeds of Trust - Flood Insurance**

FOR the purpose of ~~requiring a lender, in evaluating the amount of flood insurance coverage that a borrower is required to purchase, to take into account a separate valuation of the improved real property excluding the value of the land; providing for the application of this Act; and generally relating to flood insurance in consumer loan transactions providing that a lender may not require a borrower to provide or purchase flood insurance in an amount exceeding the value of improvements on real property under certain circumstances; defining a certain term; making stylistic changes; and generally relating to flood insurance, mortgages, and deeds of trust.~~

BY adding to

~~Article - Real Property~~

~~Section 10-704~~

~~Annotated Code of Maryland~~

~~(2003 Replacement Volume and 2003 Supplement)~~

BY repealing and reenacting, with amendments,

~~Article - Commercial Law~~

~~Section 12-124~~

~~Annotated Code of Maryland~~

~~(2000 Replacement Volume and 2003 Supplement)~~

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

**Article - Real Property**

~~10-704.~~

~~(A) THIS SECTION APPLIES TO A LOAN TRANSACTION IN WHICH THE LOAN IS SECURED BY A MORTGAGE OR DEED OF TRUST ON REAL PROPERTY.~~

~~(B) IN EVALUATING THE AMOUNT OF FLOOD INSURANCE COVERAGE THAT A BORROWER IS REQUIRED TO PURCHASE, A LENDER SHALL TAKE INTO ACCOUNT A SEPARATE VALUATION OF THE IMPROVED REAL PROPERTY EXCLUDING THE VALUE OF THE LAND.~~

**Article - Commercial Law**

~~12-124.~~

(a) (1) (I) In this [section,] SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.