

2011 -- H 5510

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LC01404
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PROPERTY

Introduced By: Representatives Lally, and Jackson

Date Introduced: March 02, 2011

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-23-6 of the General Laws in Chapter 34-23 entitled "Mortgages
2 of Real Property" is hereby amended to read as follows:

3 **34-23-6. Disclosure requirements Loan fees.** -- In the event any brokerage fees, loan
4 fees, points, finders' fees, origination fees, or any similar charges shall be imposed on any secured
5 mortgage loan on real estate containing thereon dwelling houses of not more than four (4)
6 dwelling units, those charges shall not be subject to any refund in the event the underlying loan
7 contract is prepaid in full provided that the loan originator, broker or lender gives the following
8 disclosure to the loan applicant in writing; and shall be disclosed in writing to the applicant either
9 by delivering such disclosure or by placing it in the mail to the loan applicant, not later than three
10 (3) business days after the application is received. ~~The disclosure, which may be a form of good~~
11 ~~faith estimate under the federal real estate settlement procedures act, shall contain an itemization~~
12 ~~of such fees and charges. The applicant also concurrently shall be given the following notice:~~
13 "Notice regarding nonrefundability of loan fees: You have received a good faith estimate ~~or other~~
14 ~~itemization~~ of fees and charges showing the loan fees and similar charges you are likely to pay to
15 obtain this loan. As provided in section 34-23-6, none of these or other fees and charges will be
16 refunded in the event the loan is prepaid in whole or in part." ~~The applicant shall sign an~~
17 ~~acknowledgement of receipt of such disclosure and notice.~~

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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- 1 This act would require that loan originators, brokers, or lenders give a disclosure to loan
- 2 applicants in writing when the loan charges would not be subject to any refund in the event the
- 3 loan is prepaid in full, and would eliminate the request of an itemization of fees and charges.
- 4 This act would take effect upon passage.

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