

§2-307. Restrictions on interest in land as security

1. With respect to a supervised loan in which the annual percentage rate disclosed is greater than 18%, a lender may not contract for an interest in land as security. A security interest taken in violation of this section is void.

[PL 1973, c. 762, §1 (NEW).]

2. With respect to a supervised loan in which the amount financed is \$2,800 or less, a lender may not take a security interest in the principal residence of the consumer. This subsection does not apply when the lender holds a first mortgage on the residence at the time the loan is made or when the loan is made pursuant to an open-end credit plan involving a commitment to advance amounts in excess of \$2,800. Notwithstanding Title 14, a judgment of foreclosure of a mortgage upon the principal residence of a consumer may not be entered on account of the consumer's failure to repay supervised loans under an open-end credit plan, unless the consumer's outstanding balance in the account at the end of the statement period has at some time exceeded \$2,800 and the consumer has not paid the account in full subsequent to the date of the last periodic statement showing an outstanding balance in excess of \$2,800.

[PL 2011, c. 427, Pt. D, §8 (AMD).]

3.

[PL 1997, c. 727, Pt. B, §7 (RP).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1979, c. 660, §6 (AMD). PL 1981, c. 470, §A18 (AMD). PL 1985, c. 137, §§1,2 (AMD). PL 1985, c. 763, §§A27,28 (AMD). PL 1997, c. 727, §§B6,7 (AMD). PL 2011, c. 427, Pt. D, §8 (AMD).

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