

**§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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