

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 717

Short Title: Private Mortgage Insurance Premiums. (Public)

Sponsors: Representative Wray (Primary Sponsor).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Banking.

April 7, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO EXCLUDE ANY PRIVATE MORTGAGE INSURANCE PREMIUMS IN
3 EXCESS OF ONE AND ONE-QUARTER PERCENT OF THE LOAN AMOUNT FROM
4 THE DEFINITION OF "POINTS AND FEES" IN HIGH-COST HOME LOANS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 24-1.1E(a)(5) reads as rewritten:

7 "(5) 'Points and fees is defined as provided in this subdivision.

8 a. The term includes all of the following:

- 9 1. All items paid by a borrower at or before closing and that are
10 required to be disclosed under sections 226.4(a) and 226.4(b)
11 of Title 12 of the Code of Federal Regulations, as amended
12 from time to time, except interest or the time-price
13 differential. However, the meaning of the term "points and
14 fees" shall not include either (i) the portion of the up-front
15 fees collected and paid to the Federal Housing
16 Administration, the Veterans' Administration, or the U.S.
17 Department of Agriculture to insure or guarantee a home loan
18 that exceeds one and one-quarter percent (1.25%) of the total
19 loan amount or (ii) the portion of any up-front private
20 mortgage insurance premium, charge, or fee that exceeds one
21 and one-quarter percent (1.25%) of the total loan amount,
22 ~~provided that the private mortgage insurance premium,~~
23 ~~charge or fee is required to be refundable on a prorated basis,~~
24 ~~the refund is automatically issued upon notification of the~~
25 ~~satisfaction of the underlying mortgage loan, and the~~
26 ~~borrower has the right to request or receive a prorated refund~~
27 ~~in accordance with state or federal law. amount.~~

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29 **SECTION 2.** This act becomes effective October 1, 2011.

