

# VIRGINIA ACTS OF ASSEMBLY -- 2016 SESSION

## CHAPTER 328

*An Act to amend and reenact § 6.2-406 of the Code of Virginia, relating to real estate loans; mortgage applications.*

[H 123]

Approved March 11, 2016

**Be it enacted by the General Assembly of Virginia:**

**1. That § 6.2-406 of the Code of Virginia is amended and reenacted as follows:**

**§ 6.2-406. Disclosure of terms of mortgage application.**

A. Any lender making, or broker arranging, loans secured by a first mortgage or first deed of trust on owner occupied residential real estate consisting of one- to four-family dwelling units shall provide, at the time an application for such a loan is submitted by a loan applicant, to the loan applicant a written statement that:

1. Describes when, ~~if ever,~~ the interest, points, and fees quoted will be locked in; *and*
2. ~~States that all the loan terms not legally locked in are subject to change until settlement, which shall be initialed by the loan applicant and lender or broker; and~~
3. Provides a good faith estimate of the processing time required for the loan. The estimate shall take into account the time needed for the performance of any local government inspections or other functions necessary to close the loan.

B. The requirements of subsection A shall not apply to any lender making 10 or fewer loans secured by a first mortgage or first deed of trust on such owner occupied residential real estate in any 12-month period.