

VIRGINIA ACTS OF ASSEMBLY -- 1995 SESSION

CHAPTER 75

An Act to amend and reenact § 6.1-330.72 of the Code of Virginia, relating to loans secured by subordinate mortgage or deed of trust; charges for credit reports.

[H 1441]

Approved March 7, 1995

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-330.72 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-330.72. Loans secured by subordinate mortgage; charges allowed; requirements relating to insurance.

A. Any lender making a loan secured by a subordinate mortgage or deed of trust may require the borrower to pay, in addition to the loan fee charge and interest permitted by § 6.1-330.71, the actual cost of a *credit report*, title examination, title insurance, mortgage guaranty insurance, recording fees, surveys, attorney's fees, and appraisal fees. No other charges of any kind shall be imposed on or be payable by the borrower either to the lender or any other party in connection with such loan; provided, late charges in the amount specified in § 6.1-330.80 may be made and, upon default, the borrower may be subject to court costs, attorney's fees, trustee's commission and other expenses of collection as otherwise permitted by law. Broker's or finder's fees may be paid by the lender from the loan fee or interest permitted under § 6.1-330.71. A broker's fee, finder's fee or commission may be paid by the borrower not to exceed two percent of the principal amount of the loan if the total of the loan fee, charge, and broker's fees, finder's fees or commissions does not exceed five percent of the principal amount of the loan.

B. Evidence of fire and extended coverage insurance may be required by the lender of the borrower and the premium shall not be considered as a charge. Decreasing term life insurance, in an amount not exceeding the amount of the loan and for a period not exceeding the term of the loan, may also be required by the lender of the borrower and the premium shall not be considered as a charge. At the option of the borrower, accident and health insurance and involuntary unemployment insurance may be provided by the lender, and the premium therefor shall not be considered a charge. Proof of all insurance issued in connection with loans subject to this chapter shall be furnished to the borrower within ten days from the date the loan is closed.

C. No charge may be imposed or collected, except as permitted by § 6.1-330.71, if the loan is not made.

D. This section shall not apply to any loan made by any lender enumerated in § 6.1-330.73.