

REFERENCE TITLE: home loans; payment disclosures

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1496

Introduced by
Senators Gorman: Blendu

AN ACT

AMENDING TITLE 6, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 16; RELATING TO HOME LOANS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 6, Arizona Revised Statutes, is amended by adding
3 chapter 16, to read:

4 CHAPTER 16

5 HOME LOANS

6 ARTICLE 1. GENERAL PROVISIONS

7 6-1601. Home loans; payment disclosure; exception; definitions

8 A. FOR HOME LOANS A CREDITOR MUST PROVIDE TO THE BORROWER A WRITTEN
9 DISCLOSURE THAT CONTAINS THE POTENTIAL MAXIMUM MONTHLY PAYMENTS, EXCLUDING
10 TAXES AND INSURANCE, THAT MAY BE REQUIRED UNDER THE LOAN. THE DISCLOSURE
11 SHALL BE WRITTEN IN A CLEAR AND CONSPICUOUS MANNER AND SHALL INCLUDE A
12 STATEMENT THAT THE MAXIMUM MONTHLY PAYMENTS DO NOT INCLUDE TAXES AND
13 INSURANCE.

14 B. THIS SECTION DOES NOT APPLY TO FIXED RATE MORTGAGE LOANS.

15 C. FOR THE PURPOSES OF THIS SECTION:

16 1. "BORROWER" MEANS A NATURAL PERSON WHO IS OBLIGATED TO REPAY A HOME
17 LOAN, INCLUDING A COBORROWER, COSIGNER OR GUARANTOR.

18 2. "CREDITOR" MEANS A PERSON MAKING AN EXTENSION OF CREDIT OR A PERSON
19 CLAIMING BY, UNDER OR THROUGH ANY PERSON MAKING AN EXTENSION OF CREDIT.

20 3. "HOME LOAN" MEANS A LOAN IN WHICH THE PRINCIPAL AMOUNT DOES NOT
21 EXCEED THE CONFORMING LOAN SIZE LIMIT FOR A SINGLE-FAMILY DWELLING AS
22 ESTABLISHED BY THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THAT IS SECURED
23 BY EITHER OF THE FOLLOWING:

24 (a) A MORTGAGE OR DEED OF TRUST ON REAL ESTATE IN THIS STATE ON WHICH
25 THERE IS LOCATED OR THERE WILL BE LOCATED A STRUCTURE THAT IS DESIGNED
26 PRINCIPALLY FOR OCCUPANCY BY ONE TO FOUR FAMILIES.

27 (b) A SECURITY INTEREST ON A MANUFACTURED HOME.

28 4. "MANUFACTURED HOME":

29 (a) MEANS A STRUCTURE THAT IS TRANSPORTABLE IN ONE OR MORE SECTIONS
30 AND THAT, IN THE TRAVELING MODE, IS EIGHT BODY FEET OR MORE IN WIDTH OR FORTY
31 BODY FEET OR MORE IN LENGTH, OR, WHEN ERECTED ON SITE, IS THREE HUNDRED
32 TWENTY OR MORE SQUARE FEET, AND THAT IS BUILT ON A PERMANENT CHASSIS AND
33 DESIGNED TO BE USED AS A DWELLING WITH A PERMANENT FOUNDATION WHEN ERECTED ON
34 LAND SECURED IN CONJUNCTION WITH THE REAL PROPERTY ON WHICH THE MANUFACTURED
35 HOME IS LOCATED AND CONNECTED TO THE REQUIRED UTILITIES AND INCLUDES THE
36 PLUMBING, HEATING, AIR CONDITIONING AND ELECTRICAL SYSTEMS CONTAINED IN THE
37 STRUCTURE.

38 (b) INCLUDES ANY STRUCTURE THAT MEETS ALL OF THE REQUIREMENTS OF
39 SUBDIVISION (a) OF THIS PARAGRAPH EXCEPT THE SIZE REQUIREMENTS AND WITH
40 RESPECT TO WHICH THE MANUFACTURER VOLUNTARILY FILES A CERTIFICATION REQUIRED
41 BY THE SECRETARY OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
42 DEVELOPMENT AND COMPLIES WITH THE STANDARDS ESTABLISHED UNDER THE NATIONAL
43 MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS ACT OF 1974
44 (P.L. 93-383; 88 STAT. 700).