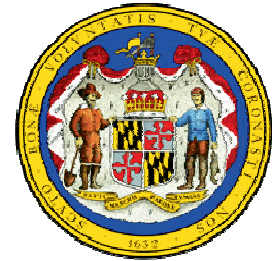


COMMISSIONER OF FINANCIAL REGULATION
ADVISORY NOTICE^{2/09}



February 5, 2009

Higher-Priced Mortgage Loans and the Average Prime Offer Rate
Notice of Publication and Enforcement Date

On November 3, 2008, amendments to COMAR 09.03.06 (Mortgage Lenders) and COMAR 09.03.09 (Mortgage Originators) promulgated by the Commissioner of Financial Regulation became effective.* These amended regulations contain certain provisions relating to “higher-priced mortgage loans.” See (for Mortgage Lenders) *COMAR 09.03.06.02B(13)* and (for Mortgage Originators) *COMAR 09.03.09.02B(6)*.

To calculate whether a mortgage loan is a higher-priced mortgage loan requires the use of the “average prime offer rate.” See *COMAR 09.03.06.02B(4)* and *COMAR 09.03.09.02B(2)*.

The Average Prime Offer Rate was not being published at the time these regulations became effective. Accordingly, the Commissioner issued an Advisory on November 6, 2008 stating that those provisions of the regulations relating to higher-priced mortgage loans would not be enforced until such time as the Average Prime Offer Rate was published.

Average Prime Offer Rate is Now Being Published

The Average Prime Offer Rate is now being published and it appears on the Federal Financial Institutions Examination Counsel (“FFIEC”) website <http://www.ffiec.gov/ratespread/newcalc.aspx>. See the “Average Prime Offer Rates—Fixed” and the “Average Prime Offer Rates—Adjustable” tables.

BE ADVISED, with the publication of the Average Prime Offer Rate, **effective March 16, 2009**, the Commissioner will enforce those provisions of the referenced regulations relating to higher-priced mortgage loans.

This Advisory supersedes the Commissioner’s November 6, 2008 Advisory on the subject of Higher-Priced Mortgage Loans and the Average Prime Offer Rate.

* Regulatory Provisions Relating To High-Priced Mortgage Loans: Mortgage Lenders: See *COMAR 09.03.06.02B(13)*; *COMAR 09.03.06.20A(2)*; *COMAR 09.03.06.21*; Mortgage Originators: See *COMAR 09.03.09.02B(6)*; *COMAR 09.03.09.04A(2)*

