§3-311. Consumer's choice of attorney in residential mortgage transaction

A supervised lender that accepts an application for a residential mortgage loan for one to 4 residential units and that requires that an attorney search the title of the subject real estate shall permit the prospective mortgagor to select a qualified attorney of the prospective mortgagor's own choice to search the title of the subject real estate and certify that title to the lender or land title insurance company, except that the lender may require the prospective mortgagor's attorney to provide it with evidence of adequate liability insurance or land title insurance or such other written policy requirements as the lender may consider necessary to protect its interests, except that if all such requirements are met by the attorney chosen by the mortgagor, additional legal costs may not be assessed by the lender against the mortgagor for review of the title search or any other relevant title documents by the lender, its title company or attorney. [RR 2025, c. 1, Pt. C, §25 (COR).]

A supervised lender subject to this section shall provide written notice to the prospective mortgagor that the prospective mortgagor has the right to select a qualified attorney of the prospective mortgagor's own choice for the performance of title work. The notice must inform the prospective mortgagor that if the attorney chosen by the mortgagor meets the lender's requirements, then additional fees may not be charged to the mortgagor for title work. If the prospective mortgagor indicates on the written notice that the prospective mortgagor does not wish to exercise the prospective mortgagor's right to select an attorney, then the lender may recommend an attorney. [RR 2025, c. 1, Pt. C, §25 (COR).]

This section may not be construed to require certification of title to a supervised lender if that lender does not so require, or to a land title insurance company if that company does not so require. [RR 2025, c. 1, Pt. C, §25 (COR).]

SECTION HISTORY

PL 1983, c. 150, §1 (NEW). PL 1985, c. 311, §1 (RPR). RR 2025, c. 1, Pt. C, §25 (COR).

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