

**SB 6728 - DIGEST**

(AS OF SENATE 2ND READING 2/6/2008)

Finds that this act is necessary to encourage responsible lending, protect borrowers, and preserve access to credit in the residential real estate lending market.

Requires that a residential mortgage loan may not be made unless a disclosure summary of all material terms is placed on a separate sheet of paper and has been provided by a financial institution to the borrower within three business days following receipt of a loan application.

Requires that the department of financial institutions shall apply the interagency guidance on nontraditional mortgage product risks and the statement on subprime mortgage lending to financial institutions.

Declares that a financial institution may not make or facilitate a residential mortgage loan that includes certain provisions.

Prescribes penalties for unlawful activities related to making, brokering, or obtaining a residential mortgage loan.