**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 37‑23‑90 SO AS TO PROVIDE FOR THE TERMINATION OF ACCEPTANCE OF MORTGAGE INSURANCE PREMIUM PAYMENTS AND THE RETURN OF ESCROWED MORTGAGE INSURANCE PREMIUMS BY A LENDER WHO REQUIRED MORTGAGE INSURANCE IN CONNECTION WITH A CONSUMER HOME LOAN TRANSACTION UNDER CERTAIN CIRCUMSTANCES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 5, Chapter 23, Title 37 of the 1976 Code is amended by adding:

“Section 37‑23‑90. (A) A lender that requires private mortgage insurance in connection with a consumer home loan must terminate the requirement and discontinue acceptance of the portion of the mortgage payment representing the mortgage premium on the first day of the month immediately following the date that the borrower repaid the loan in the amount of eighty percent of the current value of the property securing the loan.

(B) If the lender established an escrow account to accommodate payment of the mortgage insurance premiums, the lender must return all unearned private mortgage insurance premiums to the borrower within forty‑five days after termination of private mortgage insurance coverage. If the lender fails to return premiums within forty‑five days, then on the forty‑sixth day, the lender must pay the borrower the unearned premiums plus the legal rate of interest.

(C) The remedies provided in this section are cumulative of, and in addition to, any other remedies available in state or federal law.”

SECTION 2. This act takes effect upon approval by the Governor.

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