

Maximum Annual Interest Rate; SB 52

SB 52 increases the maximum annual interest rate established in law for first real estate mortgage loans and contracts for deeds.

Under the bill, this maximum annual interest rate will increase from a rate no more than 1.5 percentage points to no more than 3.5 percentage points above a specified monthly floating cap by the Federal Home Loan Mortgage Corporation (Freddie Mac).

The specified monthly floating index rate in law is the yield of 30-year fixed-rate conventional home mortgages committed for delivery within 61 to 90 days accepted under the Federal Home Loan Mortgage Corporation's daily offerings for sale on the last day on which commitments for such mortgages were received in the preceding month.