

related to force-placed insurance imposed on the borrower by or through the servicer shall be bona fide and reasonable.

(Pub. L. 93-533, § 6, as added Pub. L. 101-625, title IX, § 941, Nov. 28, 1990, 104 Stat. 4405; amended Pub. L. 102-27, title III, § 312(a), Apr. 10, 1991, 105 Stat. 154; Pub. L. 103-325, title III, § 345, Sept. 23, 1994, 108 Stat. 2239; Pub. L. 104-208, div. A, title II, § 2103(a), Sept. 30, 1996, 110 Stat. 3009-399; Pub. L. 111-203, title X, § 1098(4), title XIV, § 1463, July 21, 2010, 124 Stat. 2104, 2182.)

#### PRIOR PROVISIONS

A prior section 2605, Pub. L. 93-533, § 6, Dec. 22, 1974, 88 Stat. 1726, related to advanced itemized disclosure of settlement costs by the lender and liability of the lender for failure to comply, prior to repeal by Pub. L. 94-205, § 5, Jan. 2, 1976, 89 Stat. 1158.

#### AMENDMENTS

2010—Subsec. (e)(1)(A). Pub. L. 111-203, § 1463(c)(1), substituted “5 days” for “20 days”.

Subsec. (e)(2). Pub. L. 111-203, § 1463(c)(2), substituted “30 days” for “60 days” in introductory provisions.

Subsec. (e)(4). Pub. L. 111-203, § 1463(c)(3), added par. (4).

Subsec. (f)(1)(B), (2)(B). Pub. L. 111-203, § 1463(b)(1), substituted “\$2,000” for “\$1,000”.

Subsec. (f)(2)(B)(i). Pub. L. 111-203, § 1463(b)(2), substituted “\$1,000,000” for “\$500,000”.

Subsec. (g). Pub. L. 111-203, § 1463(d), inserted at end “Any balance in any such account that is within the servicer’s control at the time the loan is paid off shall be promptly returned to the borrower within 20 business days or credited to a similar account for a new mortgage loan to the borrower with the same lender.”

Subsec. (j)(3). Pub. L. 111-203, § 1098(4), substituted “Bureau” for “Secretary” and struck out “, by regulations that shall take effect not later than April 20, 1991,” before “establish”.

Subsecs. (k) to (m). Pub. L. 111-203, § 1463(a), added subsecs. (k) to (m).

1996—Subsec. (a). Pub. L. 104-208 amended heading and text of subsec. (a) generally. Prior to amendment, text consisted of pars. (1) to (3) relating to requirements for lenders of federally related mortgage loans to disclose to applicants whether servicing of such loan may be assigned, sold, or transferred, directed Secretary to develop model disclosure statement, and required signature of applicant on all such disclosure statements.

1994—Subsec. (a)(1)(B). Pub. L. 103-325 substituted “(B) at the choice of the person making a federally related mortgage loan—

“(i) for each of the most recent” for “(B) for each of the most recent”, redesignated cls. (i) and (ii) as subcls. (I) and (II), respectively, and realigned margins, substituted “or” for “and” at end of subcl. (II), and added cl. (ii).

1991—Subsec. (j). Pub. L. 102-27 added subsec. (j).

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by section 1098(4) of Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

Amendment by section 1463 of Pub. L. 111-203 effective on the date on which final regulations implementing that amendment take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111-203, set out as a note under section 1601 of Title 15, Commerce and Trade.

### § 2606. Exempted transactions

#### (a) In general

This chapter does not apply to credit transactions involving extensions of credit—

(1) primarily for business, commercial, or agricultural purposes; or

(2) to government or governmental agencies or instrumentalities.

#### (b) Interpretation

In prescribing regulations under section 2617(a) of this title, the Bureau shall ensure that, with respect to subsection (a) of this section, the exemption for credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, as provided in subsection (a)(1)<sup>1</sup> of this section shall be the same as the exemption for such credit transactions under section 1603(1) of title 15.

(Pub. L. 93-533, § 7, as added Pub. L. 103-325, title III, § 312, Sept. 23, 1994, 108 Stat. 2221; amended Pub. L. 104-208, div. A, title II, § 2103(b), Sept. 30, 1996, 110 Stat. 3009-399; Pub. L. 111-203, title X, § 1098(5), July 21, 2010, 124 Stat. 2104.)

#### REFERENCES IN TEXT

Subsection (a)(1) of this section, referred to in subsec. (b), was in the original “section 7(1) of the Real Estate Settlement Procedures Act of 1974”, and was translated as referring to section 7(a)(1) of that Act to reflect the probable intent of Congress.

#### PRIOR PROVISIONS

A prior section 2606, Pub. L. 93-533, § 7, Dec. 22, 1974, 88 Stat. 1727, related to seller or his agent confirming that information concerning an existing residence was disclosed to buyer in writing before a commitment for a mortgage loan was made, prior to repeal by Pub. L. 94-205, § 6, Jan. 2, 1976, 89 Stat. 1158.

#### AMENDMENTS

2010—Subsec. (b). Pub. L. 111-203 substituted “Bureau” for “Secretary”.

1996—Pub. L. 104-208 designated existing provisions as subsec. (a), inserted heading, and added subsec. (b).

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

### § 2607. Prohibition against kickbacks and unearned fees

#### (a) Business referrals

No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person.

#### (b) Splitting charges

No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

#### (c) Fees, salaries, compensation, or other payments

Nothing in this section shall be construed as prohibiting (1) the payment of a fee (A) to attor-

<sup>1</sup> See References in Text note below.