

11 NCAC 12 .1102 DEFINITIONS

In this Section, unless the context clearly indicates otherwise:

- (1) "Consolidation" means any transaction in which a financial institution or servicer makes its premium collection services available to its mortgage debtors in connection with a particular insurer's ("new insurer") offer of mortgage insurance, which offer is made to debtors who, immediately prior to the offer, had mortgage insurance with another insurer ("old insurer") and were paying premiums for that insurance with their monthly mortgage payments.
- (2) "Financial institution" or "servicer" means any entity or organization that services mortgage loans by collecting and accounting for monthly mortgage payments.
- (3) "Loan transfer" means a transaction in which the servicing of a block of mortgage loans is transferred from one servicer to another. This includes, but is not limited to, a transfer of servicing to a new servicing location that occurs within a financial institution following, and as a result of, a merger or acquisition.
- (4) "Loan transfer consolidation" means a consolidation involving debtors whose mortgage loans have been transferred from one servicer to another.
- (5) "Mortgage" or "mortgage loan" means an indebtedness that is secured by real estate and that is not subject to Article 57 of General Statute Chapter 58.
- (6) "Mortgage insurance" means group or individual life, individual accidental death, or individual disability insurance, or any combination thereof, designed to pay all or part of a mortgage loan in the event of the insured's death or disability. Group mortgage life insurance can only be written with contracts issued in North Carolina. Trust arrangements are not allowed for use for group mortgage life insurance.
- (7) "New coverage" or "new plan" means the mortgage insurance coverage or mortgage insurance plan for which the financial institution collects premiums beginning on the effective date of a consolidation.
- (8) "Old coverage" or "old plan" means the mortgage insurance coverage or mortgage insurance plan the financial institution collected premiums for immediately prior to the consolidation.

*History Note: Authority G.S. 58-2-40; 58-2-210;
Eff. February 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*