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DIVISION 3. OBLIGATIONS [1427 - 3273.69] (*Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14.*)

PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273.69] (*Part 4 enacted 1872.*)

TITLE 14. LIEN [2872 - 3081] (*Title 14 enacted 1872.*)

CHAPTER 2a. Home Equity Loan Disclosure Act [2970 - 2971] (*Chapter 2a added by Stats. 1988, Ch. 1315, Sec. 1.*)

2970. For purposes of this chapter "home equity loan" means any open end consumer credit plan in which a consensual security interest is created or retained against the consumer's dwelling.

(*Added by Stats. 1988, Ch. 1315, Sec. 1.*)

2971. (a) At the time that a customer makes an initial application to a creditor for a home equity loan in person, or within three business days if the customer applies by mail or telephone, the creditor shall provide the applicant with a disclosure in either of the following forms:

(1) The statement: "This home equity loan that you are applying for will be secured by your home and your failure to repay the loan for any reason could cause you to lose your home!"

(2) A statement to the effect that a home equity loan is secured by a lien against the home of the consumer and in the event of any default the consumer risks the loss of the home.

(b) The disclosure required in subdivision (a) shall be made by either of the following means:

(1) A separate and specific document attached to or accompanying the application.

(2) A clear and conspicuous statement on the application.

(c) If a creditor is required by federal statute or regulation to make a substantially similar disclosure to that required by subdivision (a), and the creditor complies with that federal statute or regulation, the creditor shall be deemed to have complied with the requirements of this chapter.

(*Added by Stats. 1988, Ch. 1315, Sec. 1.*)