§ 6-g. Override of certain provisions of United States Public Law 97-320. 1. The provisions of Title VIII of an act of congress entitled "Garn-St Germain Depository Institutions Act of 1982", United States Public Law 97-320, and the preemption of state law provided in section 804 thereof, shall not apply with respect to residential real property and cooperative apartment unit alternative mortgage transactions subject to the laws of this state except as provided in this section.

2. With respect to a real property loan secured by a lien on residential real property containing less than five dwelling units, including a lien on the stock allocated to a dwelling unit in a cooperative housing corporation or on a residential manufactured home, a lender may not exercise its option pursuant to a "due-on-sale" clause upon:

(a) A transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety;

(b) The granting of a leasehold interest of three years or less not containing an option to purchase;

(c) A transfer to a relative resulting from the death of a borrower;

(d) A transfer where the spouse or children of the borrower become an owner of the property;

(e) A transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the borrower becomes an owner of the property; or

(f) A transfer into an inter-vivos trust in which the borrower is and remains a beneficiary and that does not relate to a transfer of rights of occupancy in the property.