

CHAPTER 708

(House Bill 737)

AN ACT to add new Section 21F to Article 83 of the Annotated Code of Maryland (1971 Supplement), title "Sales and Notices," subtitle "Consumer Protection," to follow immediately after Section 21E thereof, providing that a good faith assignee of certain contracts AND/OR PROMISSORY NOTES IN CONNECTION THEREWITH for the sale of goods or services will be subject to set-off defenses by the buyer if asserted within a specified period after notice of the assignment to the buyer, and generally relating thereto.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Section 21F be and it is hereby added to Article 83 of the Annotated Code of Maryland (1971 Supplement), title "Sales and Notices," subtitle "Consumer Protection," to follow immediately after Section 21E thereof, and to read as follows:

21F.

With respect to the assignment of any contract AND/OR PROMISSORY NOTE IN CONNECTION THEREWITH for any sale in Maryland of goods with or without rendition of OR services, including those where the seller takes a security interest in the goods, where the assignee knows that the sale is to a natural person primarily for a personal, family or household purpose, a good faith assignee for value is subject to all defenses arising out of such sale if asserted within a period of 90 days after mailing of written notice to the buyer of the assignment. THE NOTICE OF ASSIGNMENT SHALL BE IN WRITING, SHALL IDENTIFY THE CONTRACT, DESCRIBE THE GOODS OR SERVICES, STATE THE NAME AND ADDRESS OF THE ASSIGNEE, AND CONTAIN A CONSPICUOUS NOTICE TO THE BUYER THAT HE HAS NINETY DAYS WITHIN WHICH TO NOTIFY THE ASSIGNEE IN WRITING OF ANY COMPLAINTS, CLAIMS OR DEFENSES HE MAY HAVE AGAINST THE SELLER AND THAT IF WRITTEN NOTIFICATION OF THE COMPLAINTS, CLAIMS OR DEFENSES IS NOT RECEIVED BY THE ASSIGNEE WITHIN THE NINETY DAY PERIOD THE ASSIGNEE WILL HAVE THE RIGHT TO ENFORCE THE CONTRACT FREE OF ANY CLAIMS OR DEFENSES THE BUYER MAY HAVE AGAINST THE SELLER. No such defense is valid against such assignee if the buyer fails to mail written notice addressed to the assignee of such defense at the assignee's designated address within 90 days from the date of mailing of the notice to the buyer of the assignment unless the assignee knew of the defense at the time it took the assignment. ALL DEFENSES OF THE BUYER AGAINST THE SELLER SHALL BE VALID AGAINST THE ASSIGNEE UNLESS NOTICE IS GIVEN PURSUANT TO THIS SECTION. Rights of the buyer can only be asserted as a matter of defense or set-off against a claim by the assignee. The remedy provided herein shall be in addition to and not in lieu of any other remedy provided the buyer elsewhere in this Article UNDER MARYLAND LAW, INCLUDING ARTICLE 83, SECTION 147 AND ARTICLE 83, SECTION 153D (F). NO ACT, AGREEMENT