(II) REJECT THE APPLICATION AND RETURN THE APPLICATION FEE TO THE APPLICANT.

~~(4)~~ (5) ANY SUCH PLAN SHALL HAVE A CREDIT LIMIT OF NO LESS THAN THE AMOUNT OF THE DEPOSIT, SAVINGS, PASSBOOK, OR OTHER SIMILAR ACCOUNT OR CERTIFICATE OF DEPOSIT REQUIRED AS SECURITY.

~~(5)~~ (6) THE APPLICATION SHALL STATE THE AMOUNT OF:

(I) THE MINIMUM REQUIRED SECURITY; AND

(II) THE APPLICATION FEE.

~~(6)~~ (7) THE AGREEMENT SHALL STATE THE AMOUNT OF THE ANNUAL CHARGE.

~~(7)~~ (8) IF AN ANNUAL CHARGE IS IMPOSED, THE CREDIT GRANTOR SHALL PAY INTEREST ON THE DEPOSIT, SAVINGS, PASSBOOK, OR OTHER SIMILAR ACCOUNT OR CERTIFICATE OF DEPOSIT REQUIRED AS SECURITY IN THE GREATER OF:

(I) A RATE OF 4 PERCENT PER ANNUM SIMPLE INTEREST; OR

(II) THE RATE OF INTEREST REGULARLY PAID ON REGULAR PASSBOOK SAVINGS ACCOUNTS BY THE LENDING INSTITUTION THAT ISSUED THE DEPOSIT, SAVINGS, PASSBOOK, OR OTHER SIMILAR ACCOUNT OR CERTIFICATE OF DEPOSIT REQUIRED AS SECURITY.

SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of this Act shall have prospective effect only and may not be construed to apply to an open end credit plan application received or account opened before the effective date of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1990.

May 29, 1990

The Honorable R. Clayton Mitchell, Jr.
Speaker of the House of Delegates
State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 709.