

WILLIAM DONALD SCHAEFER, Governor

(1987 Replacement Volume and 1989 Supplement)

~~BY adding to~~

~~Article Commercial Law~~

~~Section 11-906~~

~~Annotated Code of Maryland~~

~~(1983 Replacement Volume and 1989 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 27 – Crimes and Punishments

208.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (I) "BUYER" MEANS A PERSON WHO BUYS OR LEASES A MOTOR VEHICLE UNDER AN INSTALLMENT SALE AGREEMENT.

(II) "BUYER" INCLUDES A PROSPECTIVE BUYER.

(3) "DIRECT LOAN AGREEMENT" MEANS AN AGREEMENT BETWEEN A LENDER AND A BORROWER UNDER WHICH THE LENDER HAS ADVANCED FUNDS PURSUANT TO A LOAN SECURED BY THE MOTOR VEHICLE WHICH THE BORROWER HAS PURCHASED.

(4) (I) "INSTALLMENT SALE AGREEMENT" MEANS A CONTRACT FOR THE SALE OR LEASE OF A MOTOR VEHICLE, NEGOTIATED OR ENTERED INTO IN THIS STATE, UNDER WHICH:

1. PART OR ALL OF THE PRICE IS PAYABLE IN 1 OR MORE PAYMENTS AFTER THE MAKING OF THE CONTRACT; AND

2. THE SELLER TAKES COLLATERAL SECURITY OR KEEPS A SECURITY INTEREST IN THE MOTOR VEHICLE SOLD.

(II) "INSTALLMENT SALE AGREEMENT" INCLUDES:

1. A PROSPECTIVE INSTALLMENT SALE AGREEMENT;

2. A PURCHASE MONEY SECURITY AGREEMENT;

3. A CONTRACT FOR THE BAILMENT OR LEASING OF A MOTOR VEHICLE UNDER WHICH THE BAILEE OR LESSEE CONTRACTS TO PAY AS COMPENSATION A SUM THAT IS SUBSTANTIALLY EQUAL TO OR IS MORE THAN THE VALUE OF THE MOTOR VEHICLE; AND

4. A RENEWAL, EXTENSION, OR REFUND AGREEMENT.