

CHAPTER 439

(House Bill 13)

AN ACT to repeal and reenact with amendments Sections 2, 6, 9, 11, 15, 16, 18, and 19 of Article 58A of the Annotated Code of Maryland (1964 Replacement Volume), title "Loans—Petty," to be under the the new subtitle "Loans—Consumer," and to repeal Sections 1, 17, 21, 22 and 23 of said Article and title of said Code and to enact new Sections 1, 17, 21, 22 and 23 in lieu thereof, to stand in the place of the sections so repealed; and to add new Sections 16A and 17A to said Article and title of said Code, to follow immediately after Sections 16 and 17, respectively; and to repeal and re-enact with amendments Section 166 of Article 11 of the Code (1957 Edition), title "Banks and Trust Companies," subtitle "Industrial Finance Companies," generally revising the small loan laws of Maryland including provisions increasing the maximum amount which may be loaned under these laws, increasing the license fees, authorizing an alternative method of computing and collecting interest, concerning the placement of insurance in connection with the loans, granting the Administrator of Loan Laws certain powers, concerning the collection of interest and certain charges on the loan, changing the title of Article 58A, and modifying a reference in the Industrial Loan Laws to Article 58A.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 2, 6, 9, 11, 15, 16, 18, and 19 of Article 58A of the Annotated Code of Maryland (1964 Replacement Volume), title "Loans—Petty," to be under the new title "Loans—Consumer," be and they are hereby repealed and reenacted with amendments; and that Sections 1, 17, 21, 22 and 23 of said Article and title of said Code be and they are hereby repealed, and that new Sections 1, 17, 21, 22 and 23 be and they are hereby enacted in lieu thereof, to stand in the place of the sections so repealed; and that new Sections 16A and 17A be and they are hereby added to said Article and title of said Code, to follow immediately after Sections 16 and 17, respectively; and that Section 166 of Article 11 of the Code (1957 Edition), title "Banks and Trust Companies," subtitle "Industrial Finance Companies," be and it is hereby repealed and reenacted with amendments, all to read as follows:

Article 58A

[Loans—Petty] *Loans—Consumer*

1.

No person, copartnership, association or corporation, shall make any loan of money, credit, goods or things in action and charge, contract for or receive any interest, charges, discounts, or other consideration, authorized by this Article, or shall in any manner utilize any advantage provided by the provisions of this Article, without first having obtained a license from the Administrator of Loan Laws. No bank, savings bank, trust company, credit union, savings and loan association, or building and loan association shall be permitted to be licensed under this Article. Nothing in this Article shall be construed as a restriction upon or expansion of powers conferred by law upon persons, copartnerships, associations, or corporations, not required or permitted to be licensed hereunder.