

the sections so repealed, generally to revise the laws of Maryland relating to interest and usury.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 1 to 6, inclusive, of Article 49 of the Annotated Code of Maryland (1964 Replacement Volume and 1967 Supplement), title "Interest and Usury," be and they are hereby repealed; and that new Sections 1 to 11, inclusive, be and they are hereby enacted in lieu thereof, to stand in the place of the sections so repealed, and to read as follows:

1.

(a) The term interest as used in this Article means any compensation paid by a borrower to a lender for the use or forbearance of money, except as otherwise provided in this Article.

(A) THE TERM INTEREST AS USED IN THIS ARTICLE MEANS ANY COMPENSATION IMPOSED DIRECTLY OR INDIRECTLY BY A LENDER FOR THE EXTENSION OF CREDIT FOR THE USE OR FORBEARANCE OF MONEY, INCLUDING BUT NOT LIMITED TO LOAN FEES, SERVICE AND CARRYING CHARGES, DISCOUNTS, INTEREST, TIME-PRICE DIFFERENTIALS, INVESTIGATORS' FEES AND ANY AMOUNT PAYABLE UNDER A POINT, DISCOUNT, ORIGINATION FEE OR OTHER SYSTEM OF ADDITIONAL SERVICES EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION. IT IS THE INTENTION OF THIS ACT TO PROHIBIT "DISCOUNTING" OR "ADD ON" OR DEVICES OF A SIMILAR NATURE.

(b) In addition to the interest provided for in this Article, the following may be paid by a borrower to a lender in connection with a loan and such payments shall not be interest or be deemed usurious under any other provision of this Article.

(B) THE FOLLOWING COMPENSATION OR CHARGES MAY BE PAID IN CONNECTION WITH A LOAN WITHOUT CONSIDERING IT INTEREST AND SUCH COMPENSATION OR CHARGES COLLECTED SHALL NOT BE INTEREST OR DEEMED USURIOUS UNDER ANY OTHER PROVISION OF THIS ARTICLE.

(1) A fee not to exceed one per cent (1%) of the principal amount of the loan, provided that the fee shall be collected once at the inception of the loan contract and shall not be collected upon any renewal, extension, or refinancing of the loan contract on which the fee was collected occurring within seven years after the inception of the loan contract;

(2) (1) A delinquent or late charge of two dollars (\$2.00) or one-twentieth (1/20th) of the total amount of any delinquent or late periodic installment OF DELINQUENT INTEREST AND PRINCIPAL ONLY, whichever is greater, if so provided in the loan contract; the delinquent or late charge shall not be imposed more than once for the same delinquency or lateness; and the delinquent or late charge shall not be imposed in connection with a loan for personal, family, or household purposes until the delinquency has extended for at least ten (10) FIFTEEN (15) calendar days.