

(C) FOR PREMIUMS AND COSTS NOT RETAINED BY THE LENDER FOR INSURING OR INDEMNIFYING THE LENDER AGAINST LOSS OR LIABILITY ON OR IN CONNECTION WITH THE LOAN.

(D) OR FOR INSURING THE LIFE OR HEALTH OF THE BORROWER ON PREMIUMS AND COSTS NOT RETAINED BY THE LENDER.

2.

(A) EXCEPT FOR LOANS MADE UNDER SECTION 7 AND EXCEPT ON ANY LOAN GUARANTEED OR INSURED BY FHA, VA OR ANY OTHER INSTRUMENTALITY OF THE FEDERAL GOVERNMENT WHERE THE MAXIMUM INTEREST RATE IS ~~LESS~~ NOT MORE THAN 7%, A CHARGE OR FEE, COMMONLY CALLED "POINTS" OR MORTGAGE ORIGINATION FEE, AND EXTRACTED BY A LENDER FROM EITHER THE BORROWER OR ANY OTHER PERSON AS ADDITIONAL COMPENSATION FOR THE LOAN OF MONEY, IS SPECIFICALLY PROHIBITED UNDER THIS ACT.

(B) IN THE EVENT THAT CHARGES OR FEES WHICH, UNDER THIS ARTICLE ARE DEEMED INTEREST, ARE ASSESSED AT THE INCEPTION OF A CONTRACT OF INDEBTEDNESS, THE RATE OF INTEREST REQUIRED IN SECTION 10 OF THIS ARTICLE SHALL BE DETERMINED IN THE SAME MANNER AS IF FEES AND CHARGES HAD NOT BEEN ASSESSED EXCEPT THAT THE PRINCIPAL OF THE LOAN USED IN DETERMINING THE RATE OF INTEREST SHALL BE THE FACE VALUE OF THE LOAN LESS ANY FEES OR CHARGES WHICH ARE INTEREST.

3.

Interest may be charged ~~at~~ NOT IN EXCESS OF the rate of six per cent (6%) per annum simple interest on the unpaid balance, except that interest may be charged at the rate not in excess of ~~seven~~ EIGHT per cent (~~7%~~) (8%) per annum simple interest on the unpaid balance under an agreement in writing between the lender and the borrower. This agreement must set out the annual rate of interest which is charged, stated in percentage and be a separate instrument from the contract of indebtedness. The agreement must be signed prior to the execution of the contract of indebtedness.

4.

(a) *Interest based on a rate allowed by this Article shall not be deemed usurious under any other provision of this Article if:*

(1) *For periods of less than one (1) year, interest is calculated on the premise that there are 360 days in the year and 30 days in each month, and the number of days may include the date of the loan and the date due or paid;*

(2) *Interest on any periodic payment of principal is computed to the DUE date ~~due or date paid whichever is later~~;*

(3) *FOR LOANS OTHER THAN LOANS MADE UNDER SECTION 5 OF THIS ARTICLE Interest drop calculations are made on sums not in excess of multiples of ~~\$120.00~~ \$100.00, without regard to*