

partial payments in the meanwhile; AND INTEREST DROP CALCULATIONS ARE MADE AT PERIODS NOT IN EXCESS OF ONE (1) YEAR, WITHOUT REGARD TO PARTIAL PAYMENTS IN THE MEANWHILE.

~~(4) Interest drop calculations are made at periods not in excess of one (1) year, without regard to partial payments in the meanwhile.~~

5.

(a) Interest may be charged on loans not secured by a mortgage or deed of trust on real property OR ON LOANS NOT FULLY SECURED BY NEGOTIABLE STOCKS, BONDS OR BANK DEPOSITS WHERE THE BORROWER IS REQUIRED TO REPAY THE INDEBTEDNESS IN EQUAL OR SUBSTANTIALLY EQUAL MONTHLY, OR OTHER PERIODIC, INSTALLMENTS, at a rate not in excess of twelve per cent (12%) per annum simple interest on the unpaid balance of the loan under an agreement in writing between the lender and the borrower. If interest on loans under this Section is precomputed, (1) the required written ~~agreement~~ STATEMENT between lender and borrower shall state the agreed upon and equivalent per cent per annum simple interest rate NOT EXCEEDING A .2% VARIANCE FROM THE ACTUAL INTEREST RATE which the precomputed charges cannot exceed, and (2) if, by reason of repayment of the loan prior to maturity, the agreed upon per cent per annum simple interest rate is exceeded, such excess shall be refunded to the borrower or credited on any balance owing by the borrower.

(b) Any person engaged in the business of ~~lending~~ MAKING LOANS FOR A CONSIDERATION under this Section, which includes any person making more than ~~ten~~ FIVE loans hereunder per year, other than a banking institution, national banking association, building and loan association, whether federally or state chartered, credit union or licensee under any Maryland lending provisions in any other Article of the Code, which is organized under the laws of this State or otherwise is qualified to do business in this State, before doing any lending business, shall obtain a license from the Bank Commissioner to do lending business. The license required shall be applied for and issued in accordance with and subject to all of the licensing and examination provisions of Article 11 relating to Industrial Finance Companies, the same being Sections 169 through 191 of said Article. THE PROVISIONS OF THIS SUBSECTION SHALL NOT APPLY WITH RESPECT TO LOANS MADE BETWEEN RELATIVES, OR BETWEEN AN EMPLOYER AND HIS EMPLOYEES, OR BETWEEN A LANDLORD AND HIS TENANTS. ~~Failure to comply with these provisions shall subject the lender to the usury penalties provided for in this Article.~~ ANY PERSON FAILING TO COMPLY WITH THESE PROVISIONS SHALL BE GUILTY OF A MISDEMEANOR, AND UPON CONVICTION THEREOF, SHALL BE SENTENCED TO PAY A FINE OF NOT MORE THAN \$1,000, OR SUFFER IMPRISONMENT OF NOT MORE THAN ONE YEAR, OR BOTH, IN THE DISCRETION OF THE COURT. IN BALTIMORE CITY, THE MUNICIPAL COURT OF BALTIMORE CITY SHALL HAVE JURISDICTION TO TRY CASES UNDER THIS SECTION.