

CHAPTER 496

(House Bill 110)

AN ACT to repeal and re-enact, with amendments, Sections 153A(d), 153A(e), 153A(h), 153C(b), 153C(c), 153C(d), 153D(a), 153D(c), 153D(e) and 153F of Article 83 of the Annotated Code of Maryland (1965 Replacement Volume and 1968 Supplement), title "Sales and Notices," subtitle "Retail Credit Accounts Law," and to add new Sections 153A(j), 153C(g), and 153D(f) to Article 83 of the Annotated Code of Maryland (1965 Replacement Volume and 1967 Supplement), title "Sales and Notices," subtitle "Retail Credit Accounts Laws," to follow immediately after Sections 153A(i), 153C(f), and 153D(g) respectively, making financial institutions subject to the Retail Credit Accounts Law; providing that if, as a part of a retail credit account, a note is taken by the seller or financial institution, such note shall refer to the retail credit account out of which it arises, and further providing that a note in the hands of a subsequent holder shall be subject to all defenses which the buyer might have, and providing that a note shall not contain any confession of judgment or warrant of attorney to appear for the buyer or for any surety or guarantor for the buyer to confess judgment; further providing that the Administrator of Loan Laws shall have the power to investigate any complaints arising out of a retail credit account transaction; and further providing for inquiries from a buyer to a seller or financial institution; and relating generally to the Retail Credit Accounts Law.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 153A(d), 153A(e), 153A(h), 153C(b), 153C(c), 153C(d), 153D(a), 153D(c), 153D(e), and 153F of Article 83 of the Annotated Code of Maryland (1965 Replacement Volume and 1968 Supplement), title "Sales and Notices," subtitle "Retail Credit Accounts Law," be and they are hereby repealed and re-enacted, with amendments; and that new Sections 153A(j), 153C(g), and 153D(f) be and they are hereby added to Article 83 of the Annotated Code of Maryland (1965 Replacement Volume and 1967 Supplement), title "Sales and Notices," subtitle "Retail Credit Accounts Law," to follow immediately after Sections 153A(i), 153C(f), and 153D(g) respectively, and all to read as follows:

153A.

(d) "Buyer" means a person who buys goods or obtains services from a seller pursuant to a retail credit account transaction and not principally for the purpose of resale; and includes a person who enters into a prior agreement with a financial institution whereby the latter agrees to pay the debts of the buyer as they accrue at various retail sellers, designated by the financial institution, in consideration of the buyer paying the cash sale price plus the service charge on the purchase to the financial institution.

153A.

(e) "Service charge" means the amount or amounts however denominated or expressed, in excess of the cash sale price or prices, which a seller or financial institution charges a buyer for the privilege of purchasing goods or services in a retail credit account transaction.