With respect to §12-103(e)(2), a change may result from the revision of this subsection: a loan in excess of $5,000 to a business or commercial organization will be exempt, whether or not it is made "solely to...carry on [the] business." The Commission believes, however, that the quoted qualification, as it appears in present §7, was intended merely to apply to a "person...desiring to acquire a business," and not to any "business or commercial organization."

(D) EFFECTIVE RATE OF SIMPLE INTEREST.

"EFFECTIVE RATE OF SIMPLE INTEREST" MEANS THE YIELD TO MATURITY RATE OF INTEREST RECEIVED <u>OR TO BE RECEIVED</u> BY A LENDER ON THE FACE AMOUNT OF A LOAN, COMPUTED IN ACCORDANCE WITH §12-107 OF THIS SUBTITLE.

REVISOR'S NOTE: This subsection is new language added to clarify the meaning of the term "effective rate of simple interest" as used in this subtitle. It combines without substantive change the definition of that term contained in <u>B.F. Saul Co. v. West End Park</u>, 250 Md. 707, 717 (1968), and, by cross-reference, provisions of present Art. 49, §2(b) - now §12-107 of this subtitle - which relate to the computation of the interest rate when charges are assessed at the inception of a loan. See, also, revisor's note to §12-107.

With respect to the limitation on the charging of points, see §12-108.

(E) INTEREST.

"INTEREST" MEANS, EXCEPT AS SPECIFICALLY PROVIDED IN §12-105, ANY COMPENSATION DIRECTLY OR INDIRECTLY IMPOSED BY A LENDER FOR THE EXTENSION OF CREDIT FOR THE USE OR FOREBEARANCE OF MONEY, INCLUDING ANY LOAN FEE, ORIGINATION FEE, SERVICE AND CARRYING CHARGE, INVESTIGATOR'S FEE, <u>TIME-PRICE DIFFERENTIAL,</u> AND ANY AMOUNT PAYABLE AS A DISCOUNT OR POINT OR OTHERWISE PAYABLE FOR SERVICES.

REVISOR'S NOTE: This subsection presently appears as Art. 49, §1(a).

The last sentence of that section, which states the intention to prohibit "'discounting' or 'add on'" or similar devices is deleted as unnecessary in light of the