

REVISOR'S NOTE: This section is new language derived from the first paragraph of Art. 58A, §15. It is generally patterned after its counterpart provision relating to consumer loans contained in present Art. 11, §193 - now §12-304(a) of this title.

The reference to "radio or television" is deleted as unnecessary and the phrase "directly or indirectly" is substituted for "or cause to be printed ... or broadcast."

The only other changes are in style.

The penalty provisions of present §15 are now contained in §12-213 of this subtitle.

With respect to the use of the term "lender" in substitution for "licensee," see revisor's note to §12-201(b).

The Commission notes that unlike the consumer loan law provisions which appear in §12-304(b) and (c) of this title, Art. 58A - and, therefore, this subtitle - contains no express provisions relating to authority of the Commissioner of Consumer Credit over advertising by licensees.

For provisions generally relating to advertising and other representations made in connection with the extension of "consumer credit," see Title 13 of this article, the Maryland Consumer Protection Act.

12-205. INTEREST ON LOAN.

(A) MAXIMUM INTEREST RATE PERMITTED.

(1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A LENDER MAY CHARGE INTEREST ON A LOAN AT A RATE NOT EXCEEDING:

(i) 3 PERCENT INTEREST PER MONTH ON THAT PART OF THE UNPAID PRINCIPAL BALANCE NOT EXCEEDING \$300; AND

(ii) 2 PERCENT INTEREST PER MONTH ON THAT PART OF THE UNPAID PRINCIPAL BALANCE EXCEEDING \$300.

(2) IF ANY PRINCIPAL BALANCE REMAINS UNPAID SIX MONTHS AFTER THE LOAN MATURES AS ORIGINALLY SCHEDULED OR DEFERRED, THE LENDER MAY NOT CONTRACT FOR, CHARGE, OR RECEIVE INTEREST AT A RATE EXCEEDING 6 PERCENT SIMPLE INTEREST PER ANNUM ON THE ACTUAL UNPAID PRINCIPAL