

LENDER, OR AGENT OR BROKER WHO IS AN OFFICER, DIRECTOR, AGENT, EMPLOYEE, OR AFFILIATE OF A LICENSEE, ON CREDIT LIFE AND HEALTH INSURANCE IN CONNECTION WITH ANY PORTION OF AN OUTSTANDING LOAN OR LOANS EXCEEDING \$1,200 MADE BY THE LENDER TO ANY PERSON. THE INSURANCE COMMISSIONER SHALL ANNUALLY REVIEW THE PREMIUM RATES CHARGED FOR CREDIT LIFE AND HEALTH INSURANCE SOLD IN CONNECTION WITH LOANS MADE UNDER THIS SUBTITLE, AND SHALL APPROPRIATELY REDUCE SUCH PREMIUM RATES TO REFLECT THE SAVINGS TO INSURERS BY REASON OF NON-PAYMENT OF COMMISSIONS, DIVIDENDS, RETROSPECTIVE RATING CREDITS OR OTHER CONSIDERATIONS FOR CREDIT LIFE AND HEALTH INSURANCE COVERING LOANS OR PORTIONS OF LOANS IN EXCESS OF THE \$1,200 LIMITATION HEREIN.

12-311.

(a) A lender may not take as security for a loan any:

(1) Confession of judgment or power of attorney to him or to a third person to confess judgment or appear for the borrower in a judicial proceeding;

(2) ASSIGNMENT OR ORDER FOR PAYMENT OF WAGES;

(3) [(2)] Instrument in which blanks are left to be filled after execution; or

(4) [(3)] Note, promise to pay, or security instrument which does not state:

(i) The principal amount of the loan;

(ii) A schedule of payments or a description of the schedule; and

(iii) The agreed amount [or] AND rate of interest, charges, and fees.

(b) (1) A lender may not take any security interest in:

(i) [(1)] Real property for any loan under \$2,000 in value or amount; or

(ii) [(2)] Personal property for any loan under \$700 in value or amount.

(2) ANY LIEN TAKEN IN VIOLATION OF THIS SUBSECTION IS VOID.

(3) THIS SUBSECTION DOES NOT APPLY TO OR AFFECT A LIEN ON AN INTEREST IN REAL PROPERTY WHICH RESULTS FROM A JUDGMENT OBTAINED BY THE LENDER BASED ON A LOAN OTHERWISE SECURED OR UNSECURED.

12-312.