

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 Commissioner of Consumer Credit 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] 58A relating to the Maryland Consumer Loan Law - Licensing Provisions. 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. 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,] \$5,000 or suffer imprisonment of not more than [one year,] 3 years 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.]

SECTION 8. AND BE IT FURTHER ENACTED, That any person who, on June 30, 1977, was licensed to do business under the Maryland Small Loan Law or the Maryland Consumer Loan Law or both shall, on or before July 31, 1977, surrender to the Commissioner of Consumer Credit his license or licenses, as the case may be, for each licensed place of business, and that if, on or before July 31, 1977, the person also applies under Article 58A of the Code, as amended by this Act, for a new Consumer Loan License for the same place of business:

(1) the person may continue to do business under the surrendered license, subject to the provisions of Article 58A of the Code, as amended by this Act, until issuance of the new license;

(2) the provisions of Article 58A, §4(b) of the Code, as amended by this Act, do not apply to the application for this new license; and

(3) the person is entitled to a credit against the license fee required by this Act for this new license in an amount equal to \$180 for each surrendered Consumer Loan License for the same place of business and \$300 for each surrendered Small Loan License for the same place of business.

SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1977.

Approved May 26, 1977.