

(a) In a closed end account, the finance charge may not exceed the greater of:

(1) [The sum of] SIMPLE-INTEREST--AT--AN--ANNUAL RATE--NOT--EXCEEDING AN AMOUNT COMPUTED USING THE FOLLOWING ANNUAL SIMPLE INTEREST RATES OF FINANCE CHARGE:

(i) [\$12 per \$100 per year] 22 PERCENT on that part of the [principal] OUTSTANDING balance not exceeding \$1,000; and

(ii) [\$10 per \$100 per year] 18 PERCENT on that part of the [principal] OUTSTANDING balance exceeding \$1,000; or

(2) A minimum charge of \$10 or, if the due date of the last installment is eight months or less after the effective date of the retail credit account agreement, \$8.

(b) (1) ~~In a closed end account, notwithstanding the fact that the unpaid principal balance is payable in installments, the finance charge shall be computed on the principal balance due in connection with each purchase from the date of the purchase, except as provided in § 12-504 (b) with respect to goods or services in excess of \$200, until the due date of the final installment.~~

~~{(2)--The amount of the maximum finance charge permitted by this section shall be decreased or increased proportionately if the principal balance due in connection with a purchase under a closed end account is payable in successive installments substantially equal in amount.~~

~~{i)--For a period other than a year, or~~

~~{ii)--For amounts other than \$100.}~~

~~{2)--THE LENDER SHALL COMPUTE THE FINANCE CHARGE ON THE ACTUAL UNPAID PRINCIPAL BALANCES OUTSTANDING FROM TIME TO TIME, AND HE MAY NOT CONTRACT FOR, CHARGE, OR RECEIVE INTEREST IN ADVANCE OR COMPOUNDED INTEREST.~~

~~{3)--If a closed end account provides for either unequal or irregular installment payments, the finance charge may be at a rate which will provide the same yield as is permitted under this section for accounts which provide for equal and regular installment payments. THE FINANCE CHARGE MAY BE COMPUTED:~~

~~(I) ON THE ACTUAL UNPAID PRINCIPAL OUTSTANDING FROM TIME TO TIME; OR~~

~~(II) IN ADVANCE, AT THE TIME THE PURCHASE IS MADE, BY ADDING TO THE ORIGINAL UNPAID BALANCE THE AMOUNT OF FINANCE CHARGE THAT WOULD BE EARNED IF THE ACCOUNT WERE REPAYED EXACTLY ACCORDING TO ITS TERMS AT THE RATE STATED IN SUBSECTION (A) OF THIS SECTION.~~