

banking--institutions--in--the--State, rates and finance charges that may be charged by lenders in this State; and generally relating to maximum permissible interest rates and finance charges on certain loans.

BY adding to

Article---Financial-Institutions
Section-5-511
Annotated-Code-of-Maryland
(As-enacted-by-Chapter-----of-the-Acts
of-the-General-Assembly-of-1980)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland (as enacted by Chapter-----of the Acts of the General Assembly of 1980) be repealed, amended, or enacted to read as follows:

Article---Financial-Institutions

5-511-

NOTWITHSTANDING ANY INTEREST OR FINANCE CHARGE LIMITATIONS IMPOSED BY THE PROVISIONS OF §§ 12-103(A), 12-103(C), AND 12-506(A) OF THE COMMERCIAL LAW ARTICLE, A BANKING INSTITUTION, OR A NATIONAL BANKING ASSOCIATION THAT HAS ITS PRINCIPAL BANKING OFFICE IN THIS STATE, MAY CHARGE INTEREST OR FINANCE CHARGES AT A RATE NOT IN EXCESS OF 18 PERCENT WHEN EXTENDING CREDIT UNDER THE ABOVE SECTIONS. ALL OTHER PROVISIONS OF THESE SECTIONS, INCLUDING BUT NOT LIMITED TO DISCLOSURE AND FORFEITURE OF INTEREST OR FINANCE CHARGES, APPLY TO THE BANKING INSTITUTION.

BY repealing and reenacting, with amendments

Article - Commercial Law
Section 12-103(a) and (c)(1), and 12-506(a)
Annotated Code of Maryland
(1975 Volume and 1979 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Commercial Law

12-103.

(a) Except as provided in subsections (b), (c), (d), and (e) of this section, (1) a lender may charge interest at an effective rate of simple interest not in excess of 8 percent per [annum] YEAR on the unpaid principal balance of a loan if there is a written agreement signed by the borrower which sets forth the stated rate of interest charged by the lender.