

virtually identical to those set forth in § 11-201 of the Financial Institutions Article. Consequently, if any amendment is proposed for a definition in this section, a corresponding amendment to FI § 11-201 should be considered.

12-302.

A person may not engage in the business of making loans under this subtitle unless [he] THE PERSON is licensed under or is exempt from the licensing requirements of TITLE 11, SUBTITLE 2 OF THE FINANCIAL INSTITUTIONS ARTICLE, the Maryland Consumer Loan Law—Licensing Provisions.

12-313.

(a) Prohibition.

With respect to any loan, a lender may not:

(1) Directly or indirectly contract for, charge, or receive any interest, discount, fee, fine, commission, charge, brokerage, or other consideration in excess of that permitted by this subtitle;

(2) Divide into separate parts any contract made for the purpose or with the effect of obtaining charges in excess of [that] THOSE permitted by this subtitle; or

(3) Enforce a contract of surety or guarantee unless the loan contract with the borrower is executed also by the surety or guarantor.

(b) When loan contract void.

(1) Except as provided in paragraph (2) of this subsection, if any amount in excess of the charges permitted by this subtitle is directly or indirectly contracted for, charged, or received BY A LICENSEE OR A PERSON WHO IS EXEMPT FROM LICENSING, the loan contract is void, and the lender may not receive or retain any principal, interest, charges, or compensation with respect to the loan.

(2) The loan contract is not void if the excess amount is the result of a clerical error or mistake and the [licensee] LENDER corrects the error or mistake:

(i) Before the borrower makes the next payment on the loan; or

(ii) After the borrower makes the next payment on the loan, in which event, however, the [licensee] LENDER is liable to the borrower for an amount equal to three times the excess amount.

SUPPLEMENTAL REVISOR'S NOTE: Ch. \_\_\_\_\_, Acts of 1980, which enacted the Financial Institutions Article,

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