

also amended this section, without substantive change, to reflect the provisions of present Art. 58A, § 15A, which have been incorporated into § 12-314 of this subtitle.

As to subsection (b) (2) of this section and the phrase "clerical error or mistake", see Supplemental Revisor's Note to § 12-314 of this subtitle.

12-314.

(a) Prohibited.

A person may not lend \$6,000 or less if [he] THE PERSON directly or indirectly contracts for, charges, or receives a greater rate of interest, charge, discount, or other consideration than that authorized by the laws of [the] THIS State.

(b) Loans unenforceable; exception.

(1) [Except as provided in paragraph (2) of this subsection, a] A loan made in the amount of \$6,000 or less, whether or not the loan is or purports to be made under this subtitle, is unenforceable if a rate of interest, charge, discount, or other consideration greater than that authorized by the laws of this State is contracted for by any [person.] LENDER UNLESS:

(i) THE LENDER IS A LICENSEE OR IS EXEMPT FROM LICENSING; AND

(ii) [(2)] The [loan is enforceable if the] excess rate contracted for is the result of a clerical error or mistake and the [person] LENDER corrects the error or mistake before any payment is received under the loan.

(2) THE LENDER WHO IS NEITHER A LICENSEE NOR EXEMPT FROM LICENSING MAY NOT RECEIVE OR RETAIN ANY PRINCIPAL, INTEREST, OR OTHER COMPENSATION WITH RESPECT TO ANY LOAN THAT IS UNENFORCEABLE UNDER THIS SUBSECTION.

(c) Transactions made in another state.

This section does not apply to a loan transaction validly made in another state in compliance with A similar loan [legislation enacted by] LAW OF that state. However, a lender may not collect an amount [exceeding] THAT IS MORE THAN the total amount that would be permitted if this subtitle were applicable. This section [does apply] APPLIES to all loans made by a lender domiciled in another state to a borrower who is a [Maryland] resident OF THIS STATE [and] IF the application for the loan originated in [Maryland] THIS STATE.

SUPPLEMENTAL REVISOR'S NOTE: Ch. _____, Acts of 1980,