

FOR the purpose of ~~altering~~ clarifying ~~altering~~ the remedies of a consumer when a lender violates certain loan provisions, ~~allowing--a--borrower--to--recover--certain amounts--from--a--lender--in--certain--circumstances,~~ ~~imposing--a--civil--penalty--that--a--borrower--may--recover from--certain--lenders,~~ ~~allowing--a--good--faith--defense--to certain--violations,~~ ~~restricting--actions--that--may--be brought--under--these--provisions,~~ ~~imposing--a--statute--of limitations--on--actions--brought--under--these--provisions,~~ and ~~-----distinguishing-----between-----intentional-----and unintentional--violations.~~

BY repealing and reenacting, with amendments,

Article - Commercial Law  
Section 12-313  
Annotated Code of Maryland  
(1975 Volume and 1980 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 BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows: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

12-313.

(a) 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 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) ~~{(1)--Except--as--provided--in--paragraph--(2)--of--this subsection,--if~~ 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, AND~~ (1) IF THE EXCESS CHARGE WERE MADE WITH MALICIOUS--INTENT WILLFULLY FOR THE BENEFIT OF THE LENDER, THEN THE LENDER MAY NOT RECEIVE OR RETAIN ANY INTEREST OR COMPENSATION WITH RESPECT TO THE LOAN; OR (2) IF THE EXCESS CHARGE WERE NOT MADE WITH-MALICIOUS-INTENT WILLFULLY FOR THE BENEFIT OF THE LENDER, AND IF THE LENDER DOES NOT CORRECT THE ERROR BEFORE THE BORROWER MAKES THE NEXT PAYMENT ON THE