

Open End Retail Credit Accounts - Membership-Fees  
Prohibited Charges

FOR the purpose of including prohibiting certain fees or charges in connection with open end retail credit accounts within-the-meaning-of-a--finance--charge; and generally relating to open end accounts and credit cards.

BY ~~repealing-and-reenacting,~~ with-amendments, adding to

Article - Commercial Law  
 Section ~~12-506(a)~~ 12-506(h)  
 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 BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows: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

12-506.

~~{a}--In-an-open-end-account,-the-finance-charge-~~

~~{1}--{may}MAYnot-be-more-than-~~

~~{1}{1}--1-5-percent-a-month-on--that--part--of the--outstanding--balance-THAT-IS-not-MORE-THAN--{exceeding} \$700,-and~~

~~{2}{1}--1-percent-{per}-A-month-on-that--part of--the--outstanding--balance--{exceeding}-THAT-IS-MORE-THAN \$700{-,-}AND~~

~~{2}--INCLUDES--ANY--TRANSACTION--FEE,-MEMBERSHIP FEE,-OR--OTHER--FEE-FOR-THE-PRIVILEGE-OF-PARTICIPATING-IN-A CREDIT-CARD-PLAN-~~

(H) (1) A SELLER OR FINANCIAL INSTITUTION THAT IMPOSES A FINANCE CHARGE IN CONNECTION WITH AN OPEN END ACCOUNT MAY NOT DIRECTLY OR INDIRECTLY CONTRACT FOR, CHARGE, OR RECEIVE FROM THE BUYER ANY FINANCE CHARGE, MEMBERSHIP, OR OTHER FEE, DISCOUNT, FINE, COMMISSION, CHARGE, BROKERAGE, OR OTHER CONSIDERATION ON THAT ACCOUNT IN EXCESS OF THAT PERMITTED BY THIS SECTION.

(2) IF A CREDIT CARD PLAN ALLOWS FOR BOTH PURCHASES AND THE EXTENSION OF CASH ADVANCES, THE CHARGES PROHIBITED BY THIS SECTION MAY NOT BE IMPOSED AS TO EITHER FUNCTION.