SECTION 6-507 OF THE FINANCIAL INSTITUTIONS ARTICLE, WHICH CONTAINS A PROVISION THAT PERMITS THE LENDER TO INCREASE OR DECREASE THE APPLICABLE RATE OF INTEREST OR FINANCE CHARGES FROM TIME TO TIME DURING THE TERM OF THE OBLIGATION, UNLESS:

(1) THE LOAN IS SECURED BY AN INTEREST IN REAL PROPERTY;

(2) ANY SUCH PROVISION LIMITS ADJUSTMENTS IN THE RATE ON AN OBLIGATION AS FOLLOWS:

(I) THE INCREASE AND DECREASE IN THE RATE IS DETERMINED BY AN OBJECTIVE INDEX WHICH IS NOT DIRECTLY CONTROLLED BY THE LENDER AND WHICH IS AGREED UPON BY THE PARTIES TO THE AGREEMENT ~~WHICH-IS-NOT-DIRECTLY-CONTROLLED-BY THE-LENDER~~.

(II) THE RATE MAY NOT BE ADJUSTED MORE FREQUENTLY THAN ONCE IN A 6 MONTH PERIOD.

1. THE AMOUNT OF INCREASE IN ANY 6 MONTH PERIOD MAY NOT BE MORE THAN THE EQUIVALENT OF 1 PERCENTAGE POINT ABOVE THE RATE IN EFFECT PRIOR TO THE RATE CHANGE.

2. NOTWITHSTANDING SUBPARAGRAPH (I), IF THE RATE OF CHANGE IN ANY INDEX SO ALLOWS, THE RATE MAY BE INCREASED TO NOT MORE THAN THE ORIGINALLY CONTRACTED FOR RATE IF AUTHORIZED BY THE LOAN AGREEMENT. ~~ANY~~ THE AGREED UPON ADDITIONAL INCREASES MUST COMPLY WITH SUBPARAGRAPH (I).

3. NOTWITHSTANDING SUBPARAGRAPH (I), THE LENDER MAY DECREASE THE RATE AT ANY TIME AND BY ANY AMOUNT.

(3) INTEREST RATE DECREASES WARRANTED BY DECREASES IN THE ~~RELEVANT~~ AGREED UPON INDEX SHALL BE MANDATORY EXCEPT TO THE EXTENT THAT PAST INCREASES IN THE INDEX HAVE NOT BEEN IMPLEMENTED BY THE LENDER, EITHER AT HIS OPTION OR BECAUSE THE LENDER WAS SUBJECT TO THE RATE CHANGE LIMITATION OF PARAGRAPH (2) OF THIS SECTION.

(4) THE LOAN INSTRUMENT SHALL SPECIFY THE CIRCUMSTANCES UNDER WHICH THE RATE MAY INCREASE OR DECREASE, ANY LIMITATIONS ON AN INCREASE OR DECREASE, AND THE EFFECTS OF AN INCREASE OR DECREASE.

(5) A LENDER MUST ALLOW THE BORROWER THE CHOICE OF IMPLEMENTING THE VARIABLE RATE FEATURE OF THE LOAN EITHER BY CHANGES IN THE AMOUNT OF PERIODIC PAYMENTS OR BY EXTENDING OR REDUCING THE LENGTH OF THE TERM OF THE OBLIGATION;

(6) THROUGH A PERIODIC BILLING STATEMENT OR OTHER WRITTEN NOTICE, THE BORROWER IS NOTIFIED OF THE BASIS