

penalty under the interest and usury laws; providing that this section does not affect a certain rebuttable presumption; and generally relating to the terms and conditions of certain loans.

BY repealing and reenacting, with amendments

Article - Commercial Law
Section 12-103(e) and 12-106.1
Annotated Code of Maryland
(1975 Volume and 1982 Supplement)

BY adding to

Article - Commercial Law
Section 12-401(i)(3) and 12-407.1
Annotated Code of Maryland
(1975 Volume and 1982 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

12-103.

(e) (1) A lender may charge interest at any rate if the loan is:

{(1)} (I) A loan made to a corporation; or

{(2)} (II) A commercial loan in excess of \$5,000.

(2) COMMERCIAL LOANS TO INDIVIDUALS SECURED BY RESIDENTIAL REAL PROPERTY SHALL COMPLY WITH THE PROVISIONS OF § 12-407.1 OF THE COMMERCIAL LAW ARTICLE.

12-106.1.

(a) A person may not require a borrower, as a condition to receiving a loan, to make any false or misleading statement or characterization that a loan is a commercial loan under §§ 12-101(c), 12-103(e), [or] 12-105, OR 12-401(I)(3) of this subtitle if the loan is not a commercial loan.

(b) (1) [Any] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ANY person who willfully requires a borrower to make a false or misleading statement in violation of subsection (a), or who willfully procures such statement, knowing that it is false or misleading, shall forfeit to the borrower three times the amount of interest and charges contracted for or collected in excess of that permitted by law, in addition to any other penalty otherwise provided in this title.