

(4) A GOVERNMENT OR GOVERNMENTAL SUBDIVISION OR AGENCY.

(C) NOTWITHSTANDING SUBSECTIONS (A) AND (B) OF THIS SECTION, A REVOLVING CREDIT PLAN MAY NOT BE SECURED BY A SECONDARY LIEN ON RESIDENTIAL REAL PROPERTY IF THE PLAN IS ACCESSED THROUGH THE USE OF A CREDIT DEVICE THROUGH WHICH THE CREDIT GRANTOR ACQUIRES PURCHASE OBLIGATIONS INCURRED BY THE HONORING OF THE CREDIT DEVICE.

12-903.

(A) (1) A BANK CREDIT GRANTOR MAY CHARGE AND COLLECT INTEREST OR FINANCE CHARGES UNDER THE PLAN ON THE OUTSTANDING UNPAID INDEBTEDNESS IN THE BORROWER'S ACCOUNT UNDER THE PLAN AT ANY DAILY, WEEKLY, MONTHLY, ANNUAL, OR OTHER PERIODIC PERCENTAGE RATE AS THE AGREEMENT GOVERNING THE PLAN PROVIDES, IF THE EFFECTIVE RATE OF SIMPLE INTEREST DOES NOT EXCEED 24 PERCENT PER YEAR. THE RATE OF INTEREST INEFFICIALLY CHARGEABLE ON A PLAN MUST BE EXPRESSED IN THE AGREEMENT AS A SIMPLE INTEREST RATE OR RATES.

(2) THE REPAYMENT TERMS FOR A PLAN EXTENDED TO A CONSUMER BORROWER MAY NOT INCLUDE A PROVISION UNDER WHICH THE CONSUMER BORROWER MAY BE REQUIRED TO PAY A BALLOON PAYMENT AT MATURITY. HOWEVER, THE ADJUSTMENT OF PAYMENT AMOUNTS, DUE TO FLUCTUATIONS IN UNPAID BALANCE OR RATE OF INTEREST, MAY NOT BE DEEMED TO RESULT IN A BALLOON PAYMENT.

(B) WITH RESPECT TO A REVOLVING CREDIT PLAN OF A CONSUMER BORROWER, INTEREST MAY BE CALCULATED ON AN AMOUNT NOT IN EXCESS OF THE AVERAGE OF THE OUTSTANDING UNPAID INDEBTEDNESS FOR THE APPLICABLE BILLING PERIOD, DETERMINED BY DIVIDING THE TOTAL OF THE AMOUNTS OF OUTSTANDING UNPAID INDEBTEDNESS FOR EACH DAY IN THE APPLICABLE BILLING PERIOD BY THE NUMBER OF DAYS IN THE BILLING PERIOD, OR ON AN AMOUNT CALCULATED BY ANOTHER BALANCE COMPUTATION METHOD SPECIFIED IN THE AGREEMENT.

(C) IF THE APPLICABLE PERIODIC PERCENTAGE RATE UNDER THE AGREEMENT GOVERNING THE PLAN IS MONTHLY, A BILLING PERIOD SHALL BE DEEMED TO BE MONTHLY IF THE LAST DAY OF EACH BILLING PERIOD IS ON THE SAME DAY OF EACH MONTH OR DOES NOT VARY BY MORE THAN 4 DAYS.

(D) (1) NOTWITHSTANDING SUBSECTIONS (A) AND (B) OF THIS SECTION:

(I) IF THE OUTSTANDING BALANCE OF PURCHASE OBLIGATIONS UNDER AN OPEN-END CREDIT PLAN IS PAID IN FULL WITHIN 25 DAYS AFTER THE END OF A BILLING PERIOD, A FINANCE CHARGE OR INTEREST MAY NOT BE IMPOSED ON A CONSUMER BORROWER WITH RESPECT TO SUCH BALANCE FOR THAT BILLING PERIOD; AND

(II) IF THERE IS NO PURCHASE BALANCE AT THE BEGINNING OF A BILLING PERIOD, A FINANCE CHARGE OR INTEREST MAY NOT BE IMPOSED ON A CONSUMER BORROWER WITH RESPECT TO ANY