(a) A lender may:

(1) Make a loan in such an amount that the net proceeds of the loan equal a predetermined sum; and

(2) Take interest in advance on the full amount of the loan for the period from the date the loan is made to the date of maturity of the final installment.

(b) A lender may charge interest at any effective rate of simple interest not to exceed 16 percent per annum on the principal balance of a loan, except as provided in subsection (d) of this section.

(c) A loan shall be amortized in equal or substantially equal monthly installments without a balloon payment at maturity, except that:

(1) Payment on the loan may be reduced or suspended until all prior liens or encumbrances are wholly or partially satisfied; and

(2) A seller or lender may make a deferred purchase money secondary mortgage on the sale or purchase of residential real property, and may create a balloon payment at maturity of the deferred purchase money mortgage, if the balloon payment is:

(i) Expressly disclosed to the borrower;

(ii) Agreed to by both the borrower and the lender/seller in writing; and

(iii) Required to be postponed one time, upon becoming due, at the borrower's request, for a period not to exceed 24 months, provided that the borrower continues to make the monthly installments provided for in the original loan agreement, and no new closing costs, processing fees or similar fees are imposed on the borrower as a result of the extension.

(d) Notwithstanding the provisions of subsections (a), (b), and (c) of this section, on any loan made on or after July 1, 1982, and before July 1, 1985, a lender under this subtitle may charge interest not exceeding 24 percent per annum simple interest on the loan provided that:

(1) The interest is computed on the [actual] unpaid principal balances outstanding from time to time;

(2) The lender does not contract for, charge or receive any interest in advance or any compounded interest;

(3) If the loan is a renewal or refinancing of a loan made prior to July 1, 1982, the lender complies with Section 12-116 of this title;