

(iv) If the loan is for the purchase of consumer goods, the loan contract complies with Section 12-117 of this subtitle; and

(v) The loan does not include a balloon payment, unless payment in full is due on demand or in 1 year or less.

(2) The rates permitted by this subsection may be charged only if:

(i) There is a written agreement signed by the borrower which sets forth the stated rate of interest charged by the lender;

(ii) The loan is not secured by a first mortgage or first deed of trust on real property;

(iii) The borrower is required to repay the loan in periodic installments, which may be regular, irregular, equal or unequal installments;

(iv) The loan is not secured by a confession of judgment or power of attorney to the lender or to a third person to confess judgment or appear for the borrower in a judicial proceeding;

(v) The loan is not secured by an instrument in which blanks are left to be filled after execution;

(vi) The loan is not secured by a note, promise to pay, or security instrument which does not state:

(A) The principal amount of the loan;

(B) A schedule of payments or a description of the schedule; and

(C) The agreed amount or rate of interest, charges, and fees to be charged;

(vii) The loan is not secured by real property;

(viii) The loan is not secured by personal property for any loan under \$700 in value or amount; and

(ix) The loan is not fully secured by investment securities or savings accounts.

(3) If interest on a loan made under this subsection is precomputed, and if the effective rate of simple interest required to be disclosed under § 12-106 of this subtitle is exceeded by reason of a prepayment of the loan, the lender shall refund the excess to the borrower or credit it to any unpaid principal balance owed by him.