

(4) A lender who makes a loan under this subsection is subject to the licensing provisions of Title 11, Subtitle 3 of the Financial Institutions Article.

(d) A lender may charge interest at any rate not in excess of that permitted by federal law if the loan is:

(1) Secured by a mortgage or deed of trust;

(2) Insured or guaranteed in full or in part by the Federal Housing Administration, Veterans Administration, or any other federal agency or instrumentality; and

(3) Made in full compliance with applicable federal law.

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

(i) A loan made to a corporation; or

(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.

(f) A broker or dealer, who is registered under the Securities Exchange Act of 1934, as amended, and under Title 11 of the Corporations and Associations Article of the Annotated Code of Maryland, and who extends credit to a customer on pledged securities, may charge the customer on his debit balance interest at any rate if:

(1) The debit balance is payable on demand; and

(2) The debit balance is secured by securities as defined in § 11-101(o) of the Corporations and Associations Article.

12-404.

(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) -f-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.