

(2) Except as provided in paragraph (4) of this subsection, if the buyer pays the balance in full before maturity, the holder immediately shall refund to him a portion of the finance charge, including the charge provided in subsection (a)(2) of this section.

(3) The amount of the refund shall be calculated according to the "Rule of 78"; that is, the refund shall represent at least as great a proportion of the total finance charge as the sum of the periodic time balances after the date of prepayment bears to the sum of all periodic time balances under the schedule of payments in the original agreement.

(4) If a prepayment is made, the holder is entitled to retain a finance charge of at least \$6. If the amount of credit for prepayment is less than \$1, no refund need be made.

(f) (1) The holder of a closed end account the finance charge is computed in advance may:

(i) By agreement with the buyer, extend the scheduled due date or defer the scheduled payment of all or part of the installments payable under it; and

(ii) Charge the buyer an extension or deferral charge.

(2) The extension or deferral charge may not exceed an amount equal to 1 percent per month of the amount extended or deferred for the period of extension or deferral.

(3) The period of extension or deferral may not exceed the period from the date when the extended or deferred amount would have been payable in the absence of the extension or deferral to the date when the amount is made payable under the agreement of extension or deferral.

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(a) In an open end account, the finance charge may not be more than:

(1) 1.5 percent a month on that part of the outstanding balance not exceeding \$700;

(2) 1 percent per month on that part of the outstanding balance exceeding \$700;

(3) Notwithstanding the provisions of paragraph (a)(1) and (2), the finance charge may not exceed 2 percent per month on that part of the outstanding balance originating on or after July 1, 1982 [and before July 1, 1985].