

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1987.

Approved May 14, 1987.

CHAPTER 394

(Senate Bill 822)

AN ACT concerning

Credit Regulation - Closed End Provisions

FOR the purpose of defining the terms "installment loan" and "balloon payment" in provisions of law relating to regulation of credit grantor closed end credit.

BY adding to

Article - Commercial Law
Section 12-1001(g) and (h)
Annotated Code of Maryland
(1983 Replacement Volume and 1986 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

12-1001.

(G) "INSTALLMENT LOAN" MEANS A LOAN REPAYABLE IN SCHEDULED PERIODIC PAYMENTS OF PRINCIPAL AND INTEREST.

(H) "BALLOON PAYMENT" MEANS ANY SCHEDULED PAYMENT ON AN INSTALLMENT LOAN THAT IS MORE THAN 3/2 TIMES THE AVERAGE OF ALL OTHER PAYMENTS SCHEDULED TO REPAY THE INSTALLMENT LOAN.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1987.

Approved May 14, 1987.
