

respect to a billing period in which the outstanding balance of purchase obligations has been paid in full; prohibiting the interest or finance charge from being imposed on a certain revolving credit plan for new purchases made during a billing period if the outstanding balance of purchase obligations is paid in full within a certain number of days of the beginning of the billing period; and generally relating to interest and finance charges on certain charges on revolving credit plans may not be imposed on certain balances during a current billing period if the outstanding purchase balance for a prior billing period is paid in full within a certain number of days of the beginning of the current billing period; and generally relating to the imposition of interest or finance charges under revolving credit plans.

BY repealing and reenacting, with amendments,

Article - Commercial Law
 Section 12-903
 Annotated Code of Maryland
 (1983 Replacement Volume and 1987 Supplement)

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

Article - Commercial Law

12-903.

(a) (1) A credit grantor may charge and collect interest or finance charges under the plan on the outstanding unpaid indebtedness in the borrower's account under the plan at any daily, weekly, monthly, annual, or other periodic percentage rate as the agreement governing the plan provides, if the effective rate of simple interest does not exceed 24 percent per year. The rate of interest chargeable on a plan must be expressed in the agreement as a simple interest rate or rates.

(2) The repayment terms for a plan extended to a consumer borrower may not include a provision under which the consumer borrower may be required to pay a balloon payment at maturity. However, the adjustment of payment amounts, due to fluctuations in unpaid balance or rate of interest, may not be deemed to result in a balloon payment.

(b) With respect to a revolving credit plan of a consumer borrower, interest may be calculated on an amount not in excess of the average of the outstanding unpaid indebtedness for the applicable billing period, determined by dividing the total of the amounts of outstanding unpaid indebtedness for each day in the applicable billing period by the number of days in the