

(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE PENALTIES SET OUT UNDER §§ 12-917 AND 12-918 OF THIS SUBTITLE DO NOT APPLY UNLESS THE CREDIT GRANTOR ATTEMPTS TO ENFORCE A PROVISION PROHIBITED UNDER THIS SUBSECTION.

(III) THE PENALTIES SET OUT UNDER §§ 12-917 AND 12-918 OF THIS SUBTITLE DO NOT APPLY TO THE ENFORCEMENT BY A CREDIT GRANTOR OF A PROVISION OTHERWISE PROHIBITED UNDER THIS SUBSECTION WHERE THE ENFORCEMENT WAS INITIATED BY THE CREDIT GRANTOR PRIOR TO OCTOBER 1, 1993.

~~(D)~~ (C) UNLESS A BORROWER HAS NOTICE OF AN ASSIGNMENT OF THE ACCOUNT ESTABLISHED UNDER THE PLAN, ANY PAYMENTS MADE BY THE BORROWER TO THE LAST KNOWN HOLDER OF THE ACCOUNT SHALL DISCHARGE THE BORROWER'S OBLIGATION TO THE EXTENT OF THE PAYMENTS.

~~(E)~~ (D) UPON RECEIPT OF A CASH PAYMENT FROM A BORROWER, A CREDIT GRANTOR SHALL GIVE THE BORROWER A WRITTEN RECEIPT FOR THE PAYMENT.

12-923.1.

(A) ANY STATEMENT OR CHARACTERIZATION THAT INDICATES THE BORROWER INTENDS TO USE A PLAN TO OBTAIN LOANS OR OTHER EXTENSIONS OF CREDIT SOLELY TO ACQUIRE AN INTEREST IN OR TO CARRY ON A BUSINESS OR COMMERCIAL ENTERPRISE MAY BE RELIED UPON BY A CREDIT GRANTOR IN ESTABLISHING A PLAN, UNLESS THE CREDIT GRANTOR KNOWS OR SHOULD KNOW THAT THE STATEMENT OR CHARACTERIZATION IS FALSE OR MISLEADING.

(B) AS A CONDITION TO THE ESTABLISHMENT OF A PLAN, A CREDIT GRANTOR MAY NOT REQUIRE A BORROWER TO MAKE ANY FALSE OR MISLEADING STATEMENT OR CHARACTERIZATION THAT LOANS OR OTHER EXTENSIONS OF CREDIT TO BE OBTAINED UNDER A PLAN ARE COMMERCIAL LOANS OR FOR A COMMERCIAL PURPOSE IF THE CREDIT GRANTOR KNOWS OR SHOULD KNOW THEY ARE NOT COMMERCIAL LOANS OR FOR A COMMERCIAL PURPOSE.

(C) THE BORROWER HAS THE BURDEN OF PROVING THAT A CREDIT GRANTOR KNEW OR SHOULD HAVE KNOWN THAT A STATEMENT OR CHARACTERIZATION DESCRIBED IN SUBSECTION (A) OR (B) OF THIS SECTION WAS FALSE OR MISLEADING WHEN MADE AND THAT LOANS OR OTHER EXTENSIONS OF CREDIT OBTAINED UNDER A PLAN WERE NOT COMMERCIAL LOANS OR EXTENSIONS OF CREDIT FOR A COMMERCIAL PURPOSE.

(D) UNLESS A CREDIT GRANTOR KNEW OR SHOULD HAVE KNOWN THAT A STATEMENT OR CHARACTERIZATION DESCRIBED IN SUBSECTION (A) OR (B) OF THIS SECTION WAS FALSE OR MISLEADING WHEN MADE, A CREDIT GRANTOR SHALL HAVE NO LIABILITY UNDER THIS SUBTITLE IF LOANS OR OTHER EXTENSIONS OR OF CREDIT UNDER A PLAN ARE ACTUALLY USED BY THE BORROWER OTHER THAN AS COMMERCIAL LOANS OR OTHER EXTENSIONS OF CREDIT FOR A COMMERCIAL PURPOSE.