

(3) EXCEPT AS EXPRESSLY ALLOWED BY LAW, AN AGREEMENT GOVERNING A REVOLVING CREDIT PLAN OR ANY INSTRUMENT WHICH EVIDENCES OR SECURES AN EXTENSION OF CREDIT UNDER THE PLAN MAY NOT CONTAIN A PROVISION BY WHICH THE BORROWER WAIVES ANY RIGHT ACCRUING TO THE BORROWER UNDER THIS SUBTITLE.

~~(2)~~ (4) (I) ANY CLAUSE OR PROVISION IN AN AGREEMENT GOVERNING THE PLAN OR IN ANY INSTRUMENT WHICH EVIDENCES OR SECURES AN EXTENSION OF CREDIT UNDER A PLAN THAT IS IN VIOLATION OF THIS SUBSECTION SHALL BE UNENFORCEABLE.

(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