

(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE PENALTIES SET OUT UNDER §§ 12-1017 AND 12-1018 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 §§ 12-1017 AND 12-1018 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 AN AGREEMENT, NOTE, OR OTHER EVIDENCE OF A LOAN, ANY PAYMENTS MADE BY THE BORROWER TO THE LAST KNOWN HOLDER OF THE AGREEMENT, NOTE, OR OTHER EVIDENCE OF THE LOAN 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.

12-1023.1.

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

(B) AS A CONDITION TO MAKING A LOAN, A CREDIT GRANTOR MAY NOT REQUIRE A BORROWER TO MAKE ANY FALSE OR MISLEADING STATEMENT OR CHARACTERIZATION THAT THE LOAN IS A COMMERCIAL LOAN OR FOR A COMMERCIAL PURPOSE IF THE CREDIT GRANTOR KNOWS OR SHOULD KNOW IT IS NOT A COMMERCIAL LOAN 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 THE LOAN WAS NOT A COMMERCIAL LOAN OR 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 A LOAN IS ACTUALLY USED BY THE BORROWER OTHER THAN AS A COMMERCIAL LOAN OR FOR A COMMERCIAL PURPOSE.

12-1024.

(A) THIS SECTION APPLIES ONLY TO A LOAN MADE BY A CREDIT GRANTOR TO A CONSUMER BORROWER.