

(2) (I) This section does not prohibit a seller from financing the cost to the buyer of a mechanical repair contract sold in connection with a motor vehicle, provided that the cost of the mechanical repair contract is separately itemized in the financing agreement.

(II) A SELLER MAY FINANCE THE COST OF A MECHANICAL REPAIR CONTRACT SOLD IN CONNECTION WITH A MOTOR VEHICLE WHETHER OR NOT THE MOTOR VEHICLE IS COVERED BY AN ORIGINAL MANUFACTURER'S WARRANTY.

[(3) For purposes of this section, a mechanical repair contract may be sold only for a vehicle which is covered by an original manufacturer's warranty.]

(3) A SELLER MAY NOT REQUIRE A BUYER OF A MOTOR VEHICLE, AS A CONDITION OF RECEIVING A LOAN, TO ENTER A MECHANICAL REPAIR CONTRACT.

12-1012.

(a) (1) This subtitle does not prohibit a credit grantor from including in the loan amount the cost to the borrower of a mechanical repair contract SOLD IN CONNECTION WITH A MOTOR VEHICLE, provided that the cost of the mechanical repair contract is separately itemized in the financing agreement. [For purposes of this section, a mechanical repair contract for a motor vehicle may be sold only for a vehicle which is covered by an original manufacturer's warranty.]

(2) THE COST OF A MECHANICAL REPAIR CONTRACT SOLD IN CONNECTION WITH A MOTOR VEHICLE MAY BE INCLUDED IN THE LOAN AMOUNT WHETHER OR NOT THE MOTOR VEHICLE IS COVERED BY AN ORIGINAL MANUFACTURER'S WARRANTY.

(3) A CREDIT GRANTOR MAY NOT REQUIRE A BUYER OF A MOTOR VEHICLE, AS A CONDITION OF RECEIVING A LOAN, TO ENTER A MECHANICAL REPAIR CONTRACT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1995.

Approved May 9, 1995.

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CHAPTER 197

(Senate Bill 665)

AN ACT concerning

**Creation of a State Debt - Baltimore City - Grace Outreach Center**

FOR the purpose of authorizing the creation of a State Debt not to exceed ~~\$2,000,000~~ \$700,000, the proceeds to be used as a grant to Grace Outreach Development Corporation for certain development or improvement purposes; providing for disbursement of the loan proceeds, subject to a requirement that the grantee provide and expend a matching fund; providing that no proceeds of a loan or any matching funds may be used for religious purposes; and providing generally for the