Article – Commercial Law

Section 12–606(b) and 12–1005

Annotated Code of Maryland

(1990 Replacement Volume and 1994 Supplement)

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

~~**Article – Commercial Law**~~

~~12–609.~~

~~(b) (1) A service or other charge not specifically provided for in this section may not be included in a retail installment sale of a motor vehicle.~~

~~(2) 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.~~

~~(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.~~

~~(4) THIS SECTION DOES NOT PROHIBIT A SELLER FROM FINANCING THE COST TO THE BUYER OF AN OPTIONAL DEBT CANCELLATION CONTRACT WHICH PROVIDES FOR CANCELLATION OF THE OUTSTANDING BALANCE PAYABLE UNDER THE INSTALLMENT SALE AGREEMENT IN THE EVENT OF THEFT OR TOTAL DESTRUCTION OF THE MOTOR VEHICLE AFTER APPLICATION OF THE PROCEEDS OF ANY INSURANCE MAINTAINED ON THE MOTOR VEHICLE.~~

~~12–1012.~~

~~(a) This subtitle does not prohibit a credit grantor from including in the loan amount the cost to the borrower of a mechanical repair contract, 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.~~

~~(B) THIS SUBTITLE DOES NOT PROHIBIT A CREDIT GRANTOR FROM INCLUDING IN THE LOAN AMOUNT THE COST TO THE BORROWER OF AN OPTIONAL DEBT CANCELLATION CONTRACT WHICH PROVIDES FOR CANCELLATION OF THE REMAINING LOAN BALANCE IN THE EVENT OF THEFT OR TOTAL DESTRUCTION OF THE COLLATERAL FOR THE LOAN AFTER APPLICATION OF THE PROCEEDS OF ANY INSURANCE MAINTAINED ON THE COLLATERAL FOR THE LOAN.~~

~~[(b)](C) This subtitle does not prohibit a credit grantor, in connection with a loan to a nonconsumer borrower, from:~~

~~(1) Extending or deferring all or any portion of any scheduled payment under the loan;~~

~~(2) Permitting prepayment or refinancing of the loan in whole or in part;~~