12–609.

(b) (4) A SELLER MAY CONTRACT FOR, CHARGE FOR, RECEIVE, AND FINANCE THE COST TO THE BUYER OF AN OPTIONAL DEBT CANCELLATION AGREEMENT SOLD IN CONNECTION WITH A MOTOR VEHICLE, PROVIDED THAT THE COST OF THE DEBT CANCELLATION AGREEMENT IS SEPARATELY ITEMIZED IN THE FINANCING AGREEMENT.

12–1001.

(a) In this subtitle the following words have the meanings indicated.

(L) "DEBT CANCELLATION AGREEMENT" MEANS AN AGREEMENT BETWEEN A CREDIT GRANTOR AND A BORROWER WHICH PROVIDES FOR CANCELLATION OF ~~ALL OR PART 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.

(M) "REMAINING LOAN BALANCE", WHEN USED IN REFERENCE TO A DEBT CANCELLATION AGREEMENT, DOES NOT INCLUDE:

(1) ANY DELINQUENT PAYMENTS;

(2) PAST DUE CHARGES;

(3) LATE PAYMENT CHARGES;

(4) UNEARNED INTEREST;

(5) UNEARNED RENTAL PAYMENTS; OR

(6) BY AGREEMENT OF THE PARTIES, THE AMOUNT OF ANY PRIMARY INSURANCE DEDUCTIBLE.

12–1005.

In addition to interest at a periodic percentage rate or rates permitted by §§ 12–1003 and 12–1004 of this subtitle, a credit grantor may charge and collect:

(a) (1) Loan fees, points, finder's fees, and other charges; however, all such charges may not exceed 2 percent of the original extension of credit;

(2) In the case of a loan to a consumer borrower, no loan fees, points, finder's fees, or other charges may be charged and collected unless the agreement, note, or other evidence of the loan so provides and the loan is secured by a lien on residential real property; however, all such charges may not exceed 2 percent of the original extension of credit or 4 percent of the original extension of credit for a commercial loan not exceeding $75,000; and

(3) The limitations imposed by paragraphs (1) and (2) of this subsection do not apply to a credit extension:

(i) Secured by a first lien on residential real property; or