

Article - Commercial Law

12-115.

(a) With respect to any loan made at a rate of interest pursuant to § 12-103(a) and (c) or § 12-306 of this title:

(1) A lender may repossess goods securing a loan under an agreement if the borrower is in default in:

- (i) The payment of any sum due under the agreement;
- (ii) The performance of any other condition which the agreement lawfully requires him to perform in order to obtain unencumbered title to the goods; or
- (iii) The performance of any promise the breach of which is expressly made a ground for repossessing the goods; and

(2) The lender may repossess goods only by:

- (i) Legal process; or
- (ii) Self-help, without use of force.

(b) Nothing in this section authorizes a violation of criminal law.

(c) (1) At least 10 days before he repossesses any goods, a lender may serve a written notice on the borrower of his intention to repossess the goods.

(2) The notice shall:

- (i) State the default and any period at the end of which the goods will be repossessed; and
- (ii) Briefly state the rights of the borrower in case the goods are repossessed.

(d) The notice may be delivered to the borrower personally or sent to him at his last known address by registered or certified mail.

(e) Within 5 days after he repossesses the goods, the lender shall deliver to the borrower personally or send to him at his last known address by registered or certified mail, a written notice which briefly states:

- (1) The right of the borrower to redeem the goods, and the amount payable for them;
- (2) The rights of the borrower as to a resale, and his liability for a deficiency; and
- (3) The exact location where the goods are stored and the address where any payment is to be made or notice delivered.

(f) For 15 days after the lender gives the notice required by subsection (e) of this section, the lender shall retain any repossessed goods.