

LENDER'S OWN USE MONEYS IN EXCESS OF \$300 RIGHTFULLY BELONGING TO A BORROWER IS GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO A FINE NOT TO EXCEED \$100,000 OR IMPRISONMENT NOT EXCEEDING 15 YEARS OR BOTH.

Article - Commercial Law

12-903.

(a) (1) A credit grantor may charge and collect interest or finance charges under the plan on the outstanding unpaid indebtedness in the borrower's account under the plan at any daily, weekly, monthly, annual, or other periodic percentage rate as the agreement governing the plan provides, if the effective rate of simple interest does not exceed 24 percent per year. The rate of interest chargeable on a plan must be expressed in the agreement as a simple interest rate or rates.

(2) The repayment terms for a plan extended to a consumer borrower may not include a provision under which the consumer borrower may be required to pay a balloon payment at maturity. However, the adjustment of payment amounts, due to fluctuations in unpaid balance or rate of interest, may not be deemed to result in a balloon payment.

(3) IF THE PLAN IS SECURED BY A LIEN ON RESIDENTIAL REAL PROPERTY, THE CREDIT GRANTOR MAY, IN ADDITION TO THE PERIODIC PERCENTAGE RATE CHARGE AUTHORIZED UNDER SUBSECTION (A)(1) OF THIS SECTION, CHARGE AND COLLECT AT THE TIME THE PLAN IS ENTERED INTO BY THE BORROWER POINTS, LOAN ORIGATION FEES, LOAN DISCOUNT FEES, AND SIMILAR FEES, PROVIDED THAT:

(I) ALL SUCH FEES MAY NOT EXCEED 2 PERCENT OF THE MAXIMUM AMOUNT OF CREDIT MADE AVAILABLE TO THE BORROWER UNDER THE PLAN;

(II) THE DOCUMENTS EVIDENCING THE PLAN SPECIFICALLY ENUMERATE ANY SUCH FEES;

(~~III~~) (III) THE BORROWER AGREES IN WRITING TO PAY THOSE FEES; AND

(~~IV~~) (IV) THE FEES ARE DISCLOSED TO THE BORROWER IN ACCORDANCE WITH THE FEDERAL TRUTH IN LENDING ACT.

12-905.

(e) For purposes of this section, the additional charges listed in subsections (a), (b), [(f), and (g)] AND (F) of this section are not interest or finance charges with respect to a plan.

[(g) A credit grantor of an open end credit plan that is secured by real property may charge an origination fee not to exceed 2% of the initial advance made under the plan.]