

borrower; altering a requirement that a certain statement in a certain notice be in a certain point type; repealing a requirement that the Commissioner of Financial Regulation approve the form of a certain notice; repealing the limitation that certain procedures for amending a plan agreement do not apply to extensions of credit secured by real property; providing for the application of this Act; and generally relating to amendments by credit grantors of agreements governing revolving credit plans.

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 12–912

Annotated Code of Maryland

(2000 Replacement Volume and 2002 Supplement)

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

Article – Commercial Law

12–912.

(a) A credit grantor may, if the agreement governing a revolving credit plan permits, at any time amend the terms of the agreement in accordance with the provisions of this section including:

- (1) The terms governing the periodic percentage rate used to calculate interest or finance charges;
- (2) The method of computing the outstanding unpaid indebtedness to which the rate is applied;
- (3) The amounts of other charges; and
- (4) The applicable repayment schedule.

(b) (1) The credit grantor shall notify each affected borrower of an amendment in the manner set forth in the agreement governing the plan and in compliance with the requirements of the federal Truth in Lending Act, and regulations promulgated thereunder. If the amendment has the effect of increasing the interest, finance charges, or other fees and charges to be paid by the borrower, including, but not limited to those enumerated in § 12–905 of this subtitle, [or altering the manner of their computation,] the credit grantor shall mail or deliver to the borrower, at least 25 days before the effective date of the amendment, a clear and conspicuous written notice which shall describe the amendment, including:

- (i) A clear statement comparing the original terms and the terms under the amended agreement; and
- (ii) Any other pertinent information required by the provisions of this section.