

under this subsection shall include in the notice of amendment a statement that the amendment will become effective on the first date of the billing cycle during which the borrower:

(i) Makes a purchase or obtains a loan under the plan, so long as the purchase is made or the loan is obtained after a specific date which is at least 25 days after the mailing of the notice of amendment; or

(ii) Sends a notice of agreement to the credit grantor in which the borrower expressly agrees to the amendment.

(3) A borrower who receives a notice of amendment under this subsection may pay any outstanding unpaid indebtedness in the account under the terms of the unamended agreement governing the plan if the borrower does not:

(i) Make any purchase or obtain any loan under the plan after the date specified in the notice of amendment; or

(ii) Send a notice of agreement to the credit grantor in which the borrower expressly agrees to the amendment.

(e) If the terms of the agreement governing the plan, as originally drawn or as amended provide, any amendment may, on and after the date on which it becomes effective as to a particular borrower, apply to all then outstanding unpaid indebtedness in the borrower's account under the plan, including any indebtedness which shall have arisen out of purchases made or loans obtained prior to the effective date of the amendment.

(f) For purposes of this section, a decrease in the required amount of scheduled payments shall not be deemed an amendment which has the effect of increasing the interest or finance charges to be paid by the borrower.

(g) The procedures for amendment by a credit grantor of the terms of a plan to which a nonconsumer borrower is a party may, notwithstanding the provisions of this section, be as the agreement governing the plan may otherwise provide.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to amendments made on or after the effective date of this Act to agreements governing revolving credit plans in existence on or established after the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2002.

May 16, 2002

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis MD 21401

Dear Mr. President: