

grantor send a second notice to a borrower if the amendment increases the interest, finance charges or other fees and charges; and (3) the requirement that the Commissioner of Financial Regulation approve the form of the notice to the borrower.

The notice provisions in Maryland law are designed to inform a consumer of certain substantive changes to the terms of a credit plan agreement. Many consumers would expect to be informed of a change in the manner of the computation of interest, finance charges or other fees and charges. Further, it is not unreasonable to require that the Commissioner of Financial Regulation approve the form of the notice to the borrower. This requirement is not unduly burdensome on the credit grantor and provides some assurance to the consumer that someone other than the credit grantor believes that the notice is comprehensible and informative. While many of the notice forms now in use may be uniform, I expect that is the result of prior regulation by the Commissioner. In short, the benefits of the notices to borrowers in current law are not outweighed by the desire of some credit grantors to obtain relief from what they may consider minor, insignificant consumer protections. For the above reasons, I have vetoed House Bill 438.

Sincerely,
Parris N. Glendening
Governor

House Bill No. 438

AN ACT concerning

Credit Regulation - Credit Grantor Revolving Credit Provisions - Amendment of Plan Agreement

FOR the purpose of repealing a requirement that a credit grantor give a certain notice to a borrower when the credit grantor amends an agreement governing a revolving credit plan if the amendment has the effect of altering the manner of computing certain fees and charges; repealing a requirement that the credit grantor send a second notice of ~~an~~ a certain amendment of a plan agreement to the borrower; ~~repealing a requirement that a certain notice be sent in a certain manner;~~ 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 2001 Supplement)