

"bank" accounts, as distinguished from similar cash collateral such as savings and loan accounts. For purposes of conformity, the term "investment securities" is substituted for "negotiable stocks [and] bonds"; in this regard, see Title 8 of this article.

In paragraph (1) (iv) of this subsection, the requirement that the installments be "equal or substantially equal" is deleted and clarification added that unequal or irregular installments are permitted. This results from Ch. 785, Acts of 1974, which added a new §5(c) to Art. 49 to permit "unequal or irregular installments," if the interest rate does not exceed that which would provide "the maximum simple interest yield on the unpaid balance of the loan as is permitted by [§5(a)]." This last quoted language is, in effect, the "effective rate of simple interest" required by this subsection, as revised. Consequently, the net result of §5(c) can be more simply achieved by deletion of the "equal or substantially equal" requirement and omission of §5(c).

The provisions of present §5(a) (1) are deleted as unnecessary since they merely restate, albeit in somewhat different language, the requirements of §12-106(b) (1) (ii).

The only other changes are in style.

(D) LOAN GUARANTEED BY FEDERAL AGENCY - FEDERAL MAXIMUM.

A LENDER MAY CHARGE INTEREST AT ANY RATE NOT IN EXCESS OF THAT PERMITTED BY FEDERAL LAW IF THE LOAN IS:

(1) SECURED BY A MORTGAGE OR DEED OF TRUST;

(2) INSURED OR GUARANTEED IN FULL OR IN PART BY THE FEDERAL HOUSING ADMINISTRATION, VETERANS ADMINISTRATION, OR ANY OTHER FEDERAL AGENCY OR INSTRUMENTALITY; AND

(3) MADE IN FULL COMPLIANCE WITH APPLICABLE FEDERAL LAW.

REVISOR'S NOTE: This subsection is new language derived without substantive change from Art. 49, §12.

Reference to Federal "rules, regulations or