

REVISOR'S NOTE: Subsections (a) and (b) of this section presently appear in Art. 49, §10, except for the penalty provision of present §10(c), which now appears in §12-114 of this subtitle.

Subsection (c) of this section presently appears in Art. 49, §10A.

In subsection (a) of this section, the reference to §12-103(e) is derived from B.F. Saul Co. v. West End Park, 250 Md. 707, 721 (1968), which held that "since commercial loans in excess of \$5,000 are exempted from the usury regulations in §7 there would be little or no practical benefit derived from subjecting such loans to the disclosure provisions of §10, and we do not think the legislature intended such an exercise in futility." This same rationale would, of course, apply to corporate loans where there is no defense of usury. See, also, 56 Op. Att'y Gen. 288 (1971). Although the Saul case and the cited Opinion of the Attorney General deal with present §10 of Art. 49, the rulings would be equally applicable to present §10A, included here as subsection (c) of this section.

In subsection (b) (1) (i) of this section, the present second reference to "stated in dollars" is deleted as unnecessarily repetitious.

The Federal Truth-in-Lending provisions, referred to in subsection (b) (2), are presently found in 15 U.S.C. §1601 et seq.

The Maryland Higher Education Program Act, referred to in subsection (a), is presently found in Art. 43A of the Code.

The only other changes are in style.

12-107. COMPUTING INTEREST RATE IF CHARGE ASSESSED AT INCEPTION OF LOAN.

IF A CHARGE OR FEE CONSIDERED INTEREST UNDER THIS SUBTITLE IS CHARGED AT OR BEFORE THE INCEPTION OF A LOAN CONTRACT, THE EFFECTIVE RATE OF SIMPLE INTEREST PERMITTED TO BE CHARGED BY §§ 12-102 AND 12-103 OF THIS SUBTITLE, AND REQUIRED TO BE DISCLOSED BY §12-106 OF THIS SUBTITLE SHALL BE DETERMINED IN THE SAME MANNER AS IF THE FEE OR CHARGE HAD NOT BEEN CHARGED, EXCEPT THAT THE PRINCIPAL OF