

THE CONSOLIDATION ARE CONSIDERED TO BE APPLIED FIRST TO THE SMALLEST LOAN; AND

(ii) IN ANY OTHER CASE, THE PAYMENTS RECEIVED AFTER THE CONSOLIDATION ARE CONSIDERED TO BE APPLIED FIRST TO PAYMENT OF THE LOAN FIRST MADE.

(D) SUBROGATION OF LENDER.

THE LENDER IS SUBROGATED TO EACH RIGHT AND REMEDY WHICH THE BORROWER HAS AGAINST THE SELLER.

REVISOR'S NOTE: This section presently appears as Art. 58A, §24.

Reference to a loan "under this article" is deleted as unnecessary in light of the definition of "loan" in §12-201.

The only other changes are in style.

With respect to the use of the term "lender" in substitution for "licensee," see revisor's note to §12-201(b).

12-208. CERTAIN SECURITY FOR LOAN NOT ALLOWED.

(A) PROHIBITED SECURITY - IN GENERAL.

A LENDER MAY NOT TAKE AS SECURITY FOR A LOAN ANY:

(1) CONFESSION OF JUDGMENT OR POWER OF ATTORNEY;

(2) ASSIGNMENT OR ORDER FOR PAYMENT OF WAGES;

(3) INSTRUMENT IN WHICH BLANKS ARE LEFT TO BE FILLED AFTER THE PROCEEDS OF THE LOAN ARE DELIVERED;

(4) NOTE WHICH DOES NOT SHOW THE RATE OF INTEREST CONTRACTED FOR; OR

(5) NOTE, PROMISE TO PAY, OR SECURITY INSTRUMENT WHICH DOES NOT STATE:

(i) THE PRINCIPAL AMOUNT OF THE LOAN; AND

(ii) THE PERIOD FOR WHICH THE LOAN WAS MADE.

(B) PROHIBITED SECURITY - LIEN ON REAL PROPERTY.

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A LENDER MAY NOT TAKE A LIEN ON ANY