

(2) THE INTEREST WHICH WILL BE CHARGED IF THE LOAN IS CARRIED TO MATURITY.

(B) STATEMENT TO BORROWER.

AT THE TIME A LOAN IS MADE, THE LENDER SHALL DELIVER TO THE BORROWER A STATEMENT IN A FORM PRESCRIBED BY THE COMMISSIONER WHICH:

(1) CLEARLY SETS FORTH EACH LIMITATION IMPOSED ON THE LENDER AND EACH RIGHT GIVEN TO THE BORROWER UNDER §§ 12-404, 12-405, AND 12-410 OF THIS SUBTITLE;

(2) CLEARLY STATES THAT THE BORROWER IS UNDER NO OBLIGATION TO DEAL WITH THE LENDER;

(3) CONTAINS A SCHEDULE WHICH SHOWS THE COST OF THE LOAN; AND

(4) SHOWS THE ANNUAL EFFECTIVE RATE OF SIMPLE INTEREST, AS DEFINED IN SUBTITLE 1 OF THIS TITLE, WHICH IS CHARGED, STATED IN PERCENTAGE CALCULATED TO THE NEAREST 1 PERCENT.

(C) RECEIPT FOR PAYMENTS.

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AT THE TIME A LENDER RECEIVES A PAYMENT ON ACCOUNT OF A LOAN, THE LENDER SHALL GIVE TO THE BORROWER A PLAIN AND COMPLETE RECEIPT FOR THE PAYMENT.

(2) IF THE PAYMENT IS MADE BY PERSONAL CHECK, THE LENDER NEED GIVE A RECEIPT TO THE BORROWER ONLY ON THE REQUEST OF THE BORROWER.

(D) PREPAYMENT.

(1) A LENDER SHALL PERMIT A BORROWER TO PREPAY A LOAN IN FULL OR IN PART AT ANY TIME, WITHOUT PENALTY.

(2) IF A BORROWER PREPAYS A LOAN IN FULL, HE SHALL RECEIVE A REFUND CREDIT FOR THE INTEREST TAKEN IN ADVANCE. THE AMOUNT OF THE REFUND SHALL BE CALCULATED ACCORDING TO THE "RULE OF 78"; THAT IS, THE REFUND SHALL REPRESENT AT LEAST AS GREAT A PROPORTION OF THE TOTAL INTEREST AS THE SUM OF THE PERIODIC TIME BALANCES AFTER THE DATE OF PREPAYMENT BEARS TO THE SUM OF ALL THE PERIODIC TIME BALANCES UNDER THE SCHEDULE OF PAYMENTS IN THE ORIGINAL LOAN CONTRACT.

(E) MARKING PAPERS "PAID" OR "CANCELLED"; RETURN OF SECURITY.