

(3) 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 FINANCE CHARGE AS THE SUM OF THE PERIODIC TIME BALANCES AFTER THE DATE OF PREPAYMENT BEARS TO THE SUM OF ALL PERIODIC TIME BALANCES UNDER THE SCHEDULE OF PAYMENTS IN THE ORIGINAL AGREEMENT.

(4) IF A PREPAYMENT IS MADE, THE [[SELLER]] HOLDER IS ENTITLED TO RETAIN A FINANCE CHARGE OF AT LEAST \$6. IF THE AMOUNT OF CREDIT FOR PREPAYMENT IS LESS THAN \$1, NO REFUND NEED BE MADE.

(F) EXTENSION OR DEFERRAL CHARGE PERMITTED.

(1) THE HOLDER OF A CLOSED END ACCOUNT MAY:

(i) BY AGREEMENT WITH THE BUYER, EXTEND THE SCHEDULED DUE DATE OR DEFER THE SCHEDULED PAYMENT OF ALL OR PART OF THE INSTALLMENTS PAYABLE UNDER IT; AND

(ii) CHARGE THE BUYER AN EXTENSION OR DEFERRAL CHARGE.

(2) THE EXTENSION OR DEFERRAL CHARGE MAY NOT EXCEED AN AMOUNT EQUAL TO 1 PERCENT PER MONTH OF THE AMOUNT EXTENDED OR DEFERRED FOR THE PERIOD OF EXTENSION OR DEFERRAL.

(3) THE PERIOD OF EXTENSION OR DEFERRAL MAY NOT EXCEED THE PERIOD FROM THE DATE WHEN THE EXTENDED OR DEFERRED AMOUNT WOULD HAVE BEEN PAYABLE IN THE ABSENCE OF THE EXTENSION OR DEFERRAL TO THE DATE WHEN THE AMOUNT IS MADE PAYABLE UNDER THE AGREEMENT OF EXTENSION OR DEFERRAL.

REVISOR'S NOTE: Subsections (a) through (e) of this section presently appear as Art. 83, §153D(b), (d), and (e), except for that portion of (b) (5) dealing with goods or services under \$200, which is now contained in §12-504.

Subsection (f) of this section presently appears as Art. 83, §137A. It is repeated here since it deals with closed end retail credit accounts as well as retail installment sales agreements.

Although the listing of rates by dollars per \$100, rather than in percentages, is somewhat archaic, the Commission has retained this style to avoid losing the emphasis to the fact that the rates expressed in the section are