

(2) 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 THE PREPAYMENT BEARS TO THE SUM OF ALL THE PERIODIC TIME BALANCES UNDER THE SCHEDULE OF PAYMENTS IN THE ORIGINAL AGREEMENT.

(C) RETENTION OF PART OF FINANCE CHARGE.

IF A PREPAYMENT IS MADE, THE [[SELLER]] HOLDER IS ENTITLED TO RETAIN A FINANCE CHARGE OF AT LEAST \$6.

(D) EXCEPTION.

IF THE AMOUNT OF THE CREDIT FOR PREPAYMENT IS LESS THAN \$1, NO REFUND NEED BE MADE.

REVISOR'S NOTE: This section presently appears as Art. 83, §132A(e).

The reference to "seller" is deleted as unnecessary in light of the definition of "holder" in §12-601.

In subsection (a) of this section, the words "without penalty" are added for purposes of clarity and to conform to similar usage elsewhere in this title.

The only other changes are in style.

For general prepayment provisions relating to goods other than consumer goods, see §12-620; for prepayment provisions relating to renewal, extension, or refund agreements with a sales finance company, see §12-635.

With respect to the use of the term "consumer goods," see revisor's note to §12-601(f).

The Commission notes that the last sentence of present Art. 83, §132A(e) - now subsection (c) of this section - refers expressly to a "seller." This limited reference appears inconsistent with the second sentence of present §132A(e) - now subsection (b) (1) of this section - which generally refers to a "holder." The Commission is uncertain as to whether or not the limitation is intended and, therefore, has retained the word "seller" to avoid making any inadvertent substantive change.