

(i) Part or all of the price is payable in one or more payments after the making of the contract; and

(ii) The seller takes collateral security or keeps a security interest in the goods sold.

(2) "Installment sale agreement" includes:

(i) A prospective installment sale agreement;

(ii) A purchase money security agreement; and

~~(iii) A contract for the bailment or leasing of goods under which the bailee or lessee~~

~~1. contracts to pay as compensation a sum that is substantially equal to or is more than the value of the goods; AND~~

~~2. at the end of the term of the contract, has the option to purchase the goods upon payment of a nominal or no additional fee.~~

~~(3) "Installment sale agreement" does not include a bona fide C.O.D. transaction or a layaway agreement as defined in § 14-1101(g) of this article.~~

(iii) A contract for the bailment or leasing of goods under which the bailee or lessee contracts to pay as compensation a sum that is substantially equal to or is more than the value of the goods.

(3) "Installment sale agreement" does not include a bona fide C.O.D. transaction or a layaway agreement as defined in § 14-1101(g) of this article OR A BONA FIDE LEASE WHERE THERE IS NO OPTION TO PURCHASE THE GOODS AND NO INTENT TO CONVEY TITLE OR OWNERSHIP OF THE GOODS AT THE TERMINATION OF THE LEASE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1981.

May 19, 1981

The Honorable James Clark, Jr.
President of the Senate
State House
Annapolis, Maryland 21404

Dear Mr. President: