

CHAPTER 669

(House Bill 1001)

AN ACT concerning

Consumer Protection - Denial of Credit - Reasons

FOR the purpose of requiring a lender or credit grantor to provide a consumer with certain information regarding the reasons why the lender or credit grantor acted adversely against or denied the consumer's application for credit; defining certain terms; providing for certain procedures; and generally relating to the denial of credit to consumers by lenders or credit grantors.

BY adding to

Article - Commercial Law

Section ~~14-1312~~ 14-1701 through 14-1706 to be under the new subtitle "Subtitle 17. Denial of Credit - Disclosure"

Annotated Code of Maryland

(1983 Replacement Volume and 1984 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Commercial Law

SUBTITLE 17. DENIAL OF CREDIT - DISCLOSURE

~~14-1312-~~ 14-1701.

(A) (1) IN THIS SECTION, SUBTITLE THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

(2) (I) "ADVERSE ACTION" MEANS A DENIAL OR REVOCATION OF CREDIT, A CHANGE IN THE TERMS OF AN EXISTING CREDIT ARRANGEMENT, OR A REFUSAL TO GRANT CREDIT IN SUBSTANTIALLY THE AMOUNT OR ON SUBSTANTIALLY THE TERMS REQUESTED.

(II) "ADVERSE ACTION" DOES NOT INCLUDE A REFUSAL TO EXTEND ADDITIONAL CREDIT UNDER AN EXISTING CREDIT ARRANGEMENT WHERE THE APPLICANT IS DELINQUENT OR OTHERWISE IN DEFAULT, OR WHERE SUCH ADDITIONAL CREDIT WOULD EXCEED A PREVIOUSLY ESTABLISHED CREDIT LIMIT.

~~(2)~~ (3) "FILE" MEANS FILE AS DEFINED IN § 14-1210(G) OF THIS TITLE.

~~(3)~~ (4) "LENDER" OR "CREDIT GRANTOR" MEANS: