

**Senate Bill No. 340**

AN ACT concerning

**Commercial Law - Revolving Credit Plans - Access to Home Equity Credit Through Use of Credit Device**

FOR the purpose of repealing a certain provision of law that prohibits a revolving credit plan from being secured by a lien on residential real property under certain circumstances.

BY repealing and reenacting, with amendments,

Article - Commercial Law

Section 12-902

Annotated Code of Maryland

(1990 Replacement Volume and 1999 Supplement)

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

**Article - Commercial Law**

12-902.

(a) Any credit grantor may, subject to the other provisions of this subtitle:

(1) Offer and extend credit under a revolving credit plan to a borrower and in that connection charge and collect the interest, finance charges, and other charges permitted by this subtitle;

(2) (i) Take any security as collateral as may be acceptable to the credit grantor.

(ii) If real property is taken as security, the credit grantor shall record the entire line of credit when the credit plan is established.

(b) Without limiting subsection (a) of this section, credit may be extended under a revolving credit plan by a credit grantor's acquisition of obligations arising out of the honoring of a credit device made available to a borrower under a plan, whether directly or indirectly by means of telephone, point of sale terminal, automated teller machine or other electronic or similar device, or through the mails, by:

(1) A merchant;

(2) A bank or other financial institution chartered or organized under the laws of this or any other state, the District of Columbia, the United States or any district, territory, or possession of the United States, or any foreign country;

(3) Any other person or entity; or

(4) A government or governmental subdivision or agency.