

**(D) THE LICENSEE SHALL BE SUBROGATED TO ALL RIGHTS AND REMEDIES THAT THE BORROWER MAY HAVE AGAINST THE SELLER.**

Sec. 3. *Be it enacted by the General Assembly of Maryland, That new Section 161WX be and it is hereby added to Article 23 of the Code, (1966 Replacement Volume and 1970 Supplement), title "Corporations," subtitle "Particular Classes of Corporations," subheading "Associations," to follow immediately after Section 161W thereof, and to read as follows:*

**161WX.**

*(a) Any association who makes a loan under this subtitle for the purpose of enabling a borrower to buy goods or services, other than for an agricultural purpose, is subject to, in addition to any claims and defenses provided the borrower elsewhere in this Article, all claims and defenses of the borrower against the seller arising from the sale of goods and services if:*

*(1) The association knows that the seller arranged for the extension of credit by the association;*

*(2) The sale is made in this State by a seller who allows the buyer to purchase the goods or services pursuant to an association credit card or similar arrangement and the residence of the buyer is in this State;*

*(3) The association otherwise knowingly participated in the sale.*

*(b) In determining knowing participation by the association in a sale transaction, consideration may be given to the following factors, among others:*

*(1) That the association was a person related to the seller unless the relationship was remote or was not a factor in the sale or loan;*

*(2) The proceeds of the loan were made payable in whole or in part to the seller;*

*(3) The association takes a purchase money security interest in the goods which are the subject of the sale;*

*(4) That the seller guaranteed the loan or otherwise assumed the risk of loss by the association upon the loan.*

*(5) That the association directly supplied the seller with a form used by the borrower to evidence or secure the loan; or*

*(6) That the loan was conditioned on the borrower's purchase of the goods or services from the particular seller, but the licensee's payment of proceeds of the loan to the seller does not in itself establish that the loan was so conditioned.*

*(c) The association's liability under this section may not exceed the amount owing to the association with respect to the sale at the time the association has notice of a claim or defense of the buyer against the seller. If two or more loans, other than pursuant to a revolving loan account, are consolidated, payments received after the consolidation are deemed, for the purpose of determining the amount owing the association with respect to the sale, to have been first*