

# HOUSE BILL 1462

I2

8lr0379

---

By: **Delegates Ali and Niemann**

Introduced and read first time: February 14, 2008

Assigned to: Rules and Executive Nominations

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Credit Regulation – Credit Agreements – Actions to Enforce or Seek Damages**  
3 **for Breach**

4 FOR the purpose of prohibiting an action to enforce or seek damages for the breach of  
5 a term or condition of certain credit agreements unless the term or condition  
6 has been agreed to in writing and signed by a certain party; defining a certain  
7 term; providing for the application of this Act; and generally relating to credit  
8 agreements and actions to enforce or seek damages for breach of an agreement.

9 BY adding to  
10 Article – Commercial Law  
11 Section 12–902.1  
12 Annotated Code of Maryland  
13 (2005 Replacement Volume and 2007 Supplement)

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

16 **Article – Commercial Law**

17 **12–902.1.**

18 (A) (1) IN THIS SECTION, “CREDIT AGREEMENT” MEANS AN  
19 AGREEMENT BY A CREDIT GRANTOR TO:

20 (I) LEND MONEY OR OTHERWISE EXTEND CREDIT; OR

21 (II) RENEW, EXTEND, MODIFY, REARRANGE, OR FOREBEAR  
22 THE REPAYMENT OF A LOAN, OR OTHER EXTENSION OF CREDIT.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(2) "CREDIT AGREEMENT" DOES NOT INCLUDE A PROMISSORY**  
2 **NOTE, REAL ESTATE MORTGAGE, OR SECURITY AGREEMENT.**

3           **(B) AN ACTION TO ENFORCE OR SEEK DAMAGES FOR THE BREACH OF A**  
4 **TERM OR CONDITION OF A CREDIT AGREEMENT WITH A PRINCIPAL AMOUNT**  
5 **GREATER THAN \$15,000 MAY NOT BE MAINTAINED BY A CREDIT GRANTOR OR**  
6 **CONSUMER BORROWER UNLESS THE TERM OR CONDITION HAS BEEN AGREED**  
7 **TO IN WRITING AND SIGNED BY THE PARTY AGAINST WHOM IT IS SOUGHT TO BE**  
8 **ENFORCED OR AGAINST WHOM DAMAGES ARE SOUGHT.**

9           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
10 construed to apply only prospectively and may not be applied or interpreted to have  
11 any effect on or application to any credit agreement entered into before the effective  
12 date of this Act.

13           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 2008.