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§12-1005.

In addition to interest at a periodic percentage rate or rates permitted by §§ 12-1003 and 12-1004 of this subtitle, a credit grantor may charge and collect:

(a) (1) Subject to the limitations in this section, loan fees, points, finder's fees, and other charges; however, all such charges, when combined with any finder's fee imposed by a mortgage broker under § 12-804 of this title, may not exceed 10 percent of the original extension of credit;

(2) In the case of a loan to a consumer borrower, no loan fees, points, finder's fees, or other charges may be charged and collected unless:

(i) The agreement, note, or other evidence of the loan so provides and the borrower agrees in writing to pay those charges;

(ii) The loan is secured by a lien on residential real property; however, all such charges, when combined with any finder's fee imposed by a mortgage broker under § 12-804 of this title, may not exceed 10 percent of the original extension of credit; and

(iii) The charges are disclosed to the borrower in accordance with the federal Truth in Lending Act; and

(3) The limitations imposed by paragraphs (1) and (2) of this subsection do not apply to a credit extension:

(i) Secured by a first lien on residential real property; or

(ii) Made for a bona fide commercial purpose in excess of \$75,000.

(b) Reasonable fees for services rendered or for reimbursement of expenses incurred in good faith by the credit grantor or its agents in connection with the loan, including:

(1) Commitment fees;

(2) Official fees and taxes;

(3) Premiums or other charges for any guarantee or insurance protecting the credit grantor against the borrower's default or other credit loss;

(4) Costs incurred by reason of examination of title, inspection, recording, and other formal acts necessary or appropriate to the security of the loan;

- (5) Filing fees;
- (6) Attorney's fees; and
- (7) Travel expenses.

(c) (1) The cost to the borrower of an optional debt cancellation agreement, provided that the cost of the debt cancellation agreement is separately itemized in the financing agreement.

(2) This cost is in addition to the charges permitted under subsections (a), (b), and (d) of this section.

(d) (1) In the case of a loan to a consumer borrower, a fee permitted under subsection (b) of this section may not be charged and collected unless:

- (i) The agreement, note, or other evidence of the loan permits;
- (ii) The fee is an actual and verifiable expense of the credit grantor not retained by him; and

(iii) Limited to charges for:

- 1. Attorney's fees for services rendered in connection with the preparation, closing, or disbursement of the loan;
- 2. Any expense, tax, or charge paid to a governmental agency;
- 3. Examination of title, appraisal, or other costs necessary or appropriate to the security of the loan; and
- 4. Premiums for any insurance coverage permitted under this subtitle.

(2) Notwithstanding § 12-1009(e) of this subtitle, fees and charges permitted under this subsection may be imposed, charged, and collected at any time.

(e) For purposes of this subtitle, fees and charges permitted under this section are not interest with respect to a loan.

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