

Article - Commercial Law

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§12–1023.1.

(a) Any statement or characterization that indicates the borrower intends to obtain a loan solely to acquire an interest in or to carry on a business or commercial enterprise may be relied upon by a credit grantor in making the loan, unless the credit grantor knows or should know that the statement or characterization is false or misleading.

(b) As a condition to making a loan, a credit grantor may not require a borrower to make any false or misleading statement or characterization that the loan is a commercial loan or for a commercial purpose if the credit grantor knows or should know it is not a commercial loan or for a commercial purpose.

(c) The borrower has the burden of proving that a credit grantor knew or should have known that a statement or characterization described in subsection (a) or (b) of this section was false or misleading when made and that the loan was not a commercial loan or for a commercial purpose.

(d) Unless a credit grantor knew or should have known that a statement or characterization described in subsection (a) or (b) of this section was false or misleading when made, a credit grantor shall have no liability under this subtitle if a loan is actually used by the borrower other than as a commercial loan or for a commercial purpose.

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