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§12–1023.

(a) This section applies only to a loan made by a credit grantor under this subtitle to a consumer borrower.

(b) (1) Paragraph (2) of this subsection applies only to a loan or an extension of credit primarily for personal, household, or family purposes.

(2) An agreement, note, or other evidence of a loan may not contain:

(i) An assignment or order for the payment of wages, whether earned or to be earned, or of any chose in action covering lost wages;

(ii) An acceleration clause under which any part or all of the unpaid balance of the loan not yet matured may be declared due and payable because the credit grantor deems itself insecure;

(iii) A confession of judgment or any power of attorney authorizing the credit grantor to appear in court to confess judgment against the borrower or a surety or guarantor of the borrower, or any other waiver of the right to notice and an opportunity to be heard in the event of suit or process thereon; or

(iv) A provision by which a person acting on behalf of a holder of the agreement, note, or other evidence of the loan is treated as an agent of the borrower in connection with its formation or execution.

(3) Except as expressly allowed by law, an agreement, note, or other evidence of a loan may not contain a provision by which the borrower waives any right accruing to the borrower under this subtitle.

(4) (i) Any clause or provision in an agreement, note, or other evidence of a loan that is in violation of this subsection shall be unenforceable.

(ii) Subject to subparagraph (iii) of this paragraph, the penalties set out under §§ 12-1017 and 12-1018 of this subtitle do not apply unless the credit grantor attempts to enforce a provision prohibited under this subsection.

(iii) The penalties set out under §§ 12-1017 and 12-1018 of this subtitle do not apply to the enforcement by a credit grantor of a provision otherwise prohibited under this subsection where the enforcement was initiated by the credit grantor prior to October 1, 1993.

(c) Unless a borrower has notice of an assignment of an agreement, note, or other evidence of a loan, any payments made by the borrower to the last known holder of the agreement, note, or other evidence of the loan shall discharge the borrower's

obligation to the extent of the payments.

(d) Upon receipt of a cash payment from a borrower, a credit grantor shall give the borrower a written receipt for the payment.

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