

Article - Commercial Law

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§12-106.

(a) This section does not apply to any loan:

- (1) Described in § 12-103(e) of this subtitle; or
- (2) Made under Title 18, Subtitle 10 of the Education Article.

(b) (1) Before the execution of a loan contract under this title, the lender shall furnish to the borrower a written statement which sets forth:

(i) The total principal amount of the loan and the total amount of finance charge as defined in the federal Truth in Lending Act to be paid, stated in dollars, except that on loans payable on demand, the total amount of finance charge to be paid shall be stated on a per diem basis;

(ii) The annual effective rate of simple interest charged, stated in percentage calculated to the nearest 0.2 percent; and

(iii) The itemized amount of payments in addition to interest payable to the lender in connection with the loan at the time the loan is made, stated in dollars.

(2) If the loan is made to two or more borrowers, delivery of the statement to one borrower is sufficient, but a copy of the statement shall be furnished to each other borrower.

(3) Paragraphs (1)(i), (ii), and (iii) of this subsection do not apply to any loan subject to the disclosure provisions of the federal Truth in Lending Act, if the lender complies with the applicable disclosure provisions of the federal act and its regulations.

(4) A statement that complies with the applicable disclosure provisions of the federal Truth in Lending Act is sufficient to meet the requirements of this title.

(c) At least annually and, on request of the borrower, at any other reasonable time or interval, a lender who receives scheduled monthly periodic payments on more than five loans secured by an interest in real property shall furnish to the borrower a written statement informing the borrower of the amount of:

- (1) Payments credited to reducing the principal;
- (2) Payments credited to interest as defined in this subtitle; and
- (3) The remaining unpaid principal balance.

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