

Article - Commercial Law

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§12-114.

(a) (1) Any person who violates the usury provisions of this subtitle shall forfeit to the borrower the greater of:

(i) Three times the amount of interest and charges collected in excess of the interest and charges authorized by this subtitle; or

(ii) The sum of \$500.

(2) A claim or plea of usury is not valid if, within 30 days from the date the loan contract was executed, the lender:

(i) Notifies the borrower and any other party to the loan contract that the loan was usurious; and

(ii) Agrees to modify it by substituting for the usurious rate of interest a legal rate of interest not exceeding the stated rate of interest.

(b) Any person who violates the disclosure provisions of § 12-106 (b) and (c) of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding one year or both.

(c) Even if a loan document is executed outside of the State, this section is applicable if the loan is made to a resident of Maryland and is secured by property located within the State.

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