

## Article - Commercial Law

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§12–303.

(a) A lender may not make a loan under this subtitle unless the loan is in an original amount or value which does not exceed \$6,000.

(b) (1) The purpose of this subsection is to prevent evasion of the provisions of this subtitle by means of a purchase or assignment of wages.

(2) For the purposes of this subtitle:

(i) The payment of \$6,000 or less in money, credit, goods, or things in action as consideration for any sale, assignment, or order for the payment of wages, whether earned or to be earned, is considered a loan of money secured by the sale, assignment, or order for payment of wages; and

(ii) The amount by which the wages exceed the consideration paid for them is considered interest or charges on the loan from the date of the payment to the date the wages are payable.

(3) The transaction described in this subsection is governed by and subject to the provisions of this subtitle.

(c) This subtitle applies but is not limited to a lender who:

(1) As security for a loan, use, or forbearance of money, goods, or things in action or for any loan, use, or sale of credit, whether or not the transaction is or purports to be made under this subtitle, makes a pretended purchase of property from any person and permits the owner or pledgor to retain possession of the property; or

(2) By any device or pretense of charging for his services or otherwise, seeks to obtain any interest, charges, discount, or like consideration.

(d) (1) A lender who lends or contracts to lend an amount which exceeds \$6,000 may not directly or indirectly contract for, charge, or receive any interest, fee, or other charge in excess of that which he would be permitted to charge if he were not authorized to make loans under this subtitle.

(2) The provisions of this subsection apply to any debt in excess of \$6,000 which is directly or contingently owed or contracted to be so owed by any person jointly or severally:

(i) Whether as a borrower, an endorser, guarantor, or surety for a borrower, or otherwise; and

(ii) Whether the debt is part of a single transaction or the aggregate

of more than one transaction.

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