

## Article - Commercial Law

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§12-503.

(a) A retail credit account may be established by a seller or financial institution only on the request of a buyer or with his consent.

(b) (1) A seller or financial institution may not discriminate solely on the basis of sex, marital status, geographic area of residence, neighborhood of residence, or age against a buyer who wishes to establish an account. Refusal to establish an account for a buyer who is under the age of 18 is not discrimination solely on the basis of age.

(2) An application, questionnaire, or other written document used to establish credit for an applicant may not contain any reference to the race, creed, color, or national origin of the applicant.

(3) An investigation made for the purpose of establishing credit for an applicant may not contain any information pertaining to the race, creed, color, or national origin of the applicant.

(c) For the purpose of considering the eligibility of a buyer for an extension of credit, a seller or financial institution shall consider alimony or child support awarded by a court and received by the buyer as income to the buyer.

(d) (1) If a seller or financial institution establishes an account for the use of a buyer, the seller or financial institution shall confirm the fact to the buyer in writing. The confirmation shall be in type no smaller than elite typewriter characters and shall contain:

(i) A clear and understandable statement of the amount or the rate of the finance charge;

(ii) A legend that the buyer may pay at any time the entire balance without incurring any additional charge for prepayment;

(iii) A statement which advises the buyer of his right under § 12-510 of this subtitle to an answer to a written inquiry concerning the status of his account; and

(iv) Unless set out in a copy of the application form delivered to the buyer, the legend required by subsection (e)(2) of this section.

(2) If no copy of the confirmation is retained by the seller or financial institution, a notation in the permanent records of the seller or financial institution which shows that the confirmation was mailed and the date of mailing is admissible as evidence of the mailing.

- (e) (1) A retail credit account agreement shall be in writing and either:
- (i) Signed by the buyer; or
  - (ii) The seller or financial institution shall have made a reasonable attempt to obtain the signature of the buyer to the agreement.
- (2) A legend stating that finance charges will be made in amounts or at rates not in excess of those permitted by law shall be printed in type no smaller than elite typewriter characters in both:
- (i) The application form used by the seller or financial institution;
- and
- (ii) A copy of either the application form or the confirmation delivered or mailed to the buyer when the retail credit account is established.
- (f) Before the first payment on an account is due, other than any down payment, and within 40 days after each purchase, the holder of a retail credit account shall inform the buyer in writing of:
- (1) The cash sale price of the goods or services purchased;
  - (2) The amount of any down payment;
  - (3) A general description of the type of goods or services and the date of each purchase;
  - (4) If the account is a closed end account:
    - (i) The amount of the finance charge;
    - (ii) The time sale price;
    - (iii) The amount of each installment due, expressed in dollars; and
    - (iv) The time or period of the payment of each installment; and
  - (5) If the account is an open end account:
    - (i) The amount or the rate of the finance charge on the outstanding balance; and
    - (ii) The method of determining the outstanding balance pursuant to § 12-506(c) of this subtitle.
- (g) Unless the buyer previously received written notice by coupon, book, or otherwise of the amount of the payment and the amount of the unpaid balance after the payment, the holder of a retail credit account shall inform the buyer in writing,

within 40 days after each payment, of:

- (1) The total amount remaining due to the seller; and
- (2) The total amount paid by the buyer since the last written notice.

(h) The buyer under an open end retail credit account may request in writing, not more frequently than once each year, that the holder of the account inform the buyer of the total amount of finance charges assessed on the account during the preceding calendar year and the holder shall so advise the buyer in writing within 30 days of the request.

(i) The holder of a retail credit account shall disclose his address and telephone number on each billing statement for the use of the buyer for status and billing inquiries under §§ 12-510 and 12-511 of this subtitle.

(j) Except as otherwise provided in this section, the information required by this section may be stated in any sequence, order, or form and in one or more documents. Additional items may be included with the information to explain the computations made in determining the amount to be paid by the buyer.

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