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§12–611.

(a) (1) The finance charge under an installment sale agreement relating to consumer goods or a motor vehicle may be computed:

(i) On the actual unpaid principal outstanding from time to time; or

(ii) In advance, at the time the agreement is made, by adding to the principal balance the amount of the finance charge that would be earned if the installment sale agreement were repaid exactly according to its terms at the applicable rate.

(2) Nothing in this subtitle shall be construed to prohibit any particular method of computing the finance charge on an installment sale agreement so long as the amount of the finance charge does not result in a rate of finance charge in excess of that permitted by § 12-609 or § 12-610 of this subtitle, as applicable.

(b) Amounts due under an installment sale agreement relating to consumer goods may be payable in successive monthly, semimonthly, or weekly installments.

(c) As part of the regular practice of a holder, he may include fractional periods of 15 days or more as a whole month if he also entirely excludes fractional periods of 14 days or less.

(d) Unless the buyer has notice of an assignment of an installment sale agreement relating to consumer goods, his payments to the last known holder of the agreement shall discharge his obligation to the extent of the payments.

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