

## Article - Commercial Law

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§12–904.

(a) If the agreement governing the revolving credit plan so provides, the periodic percentage rate of interest or finance charges under the plan may vary in accordance with an index or formula that:

- (1) Is made readily available to and verifiable by the borrower;
- (2) Is beyond the control of the credit grantor; and
- (3) May be within the control of the borrower.

(b) The periodic percentage rate, as varied, may be made applicable to all outstanding unpaid indebtedness on or after the effective date of the variation, including any indebtedness arising out of purchases made or loans obtained prior to the variation.

(c) The periodic percentage rate, as varied, may not exceed the maximum rate permitted pursuant to § 12–903(a)(1) of this subtitle.

(d) If a formula used under subsection (a)(3) of this section measures credit risk, the periodic percentage rate of interest or finance charges:

- (1) Shall be lower for any consumer borrower measured as more creditworthy under the formula; and
- (2) If the formula considers delinquency or arrearages, may not be raised unless a consumer borrower is at least 2 months in arrears in payment.

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