

## Article - Commercial Law

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§12–923.1.

(a) Any statement or characterization that indicates the borrower intends to use a plan to obtain loans or other extensions of credit solely to acquire an interest in or to carry on a business or commercial enterprise may be relied upon by a credit grantor in establishing a plan, unless the credit grantor knows or should know that the statement or characterization is false or misleading.

(b) As a condition to the establishment of a plan, a credit grantor may not require a borrower to make any false or misleading statement or characterization that loans or other extensions of credit to be obtained under a plan are commercial loans or for a commercial purpose if the credit grantor knows or should know they are not commercial loans or for a commercial purpose.

(c) The borrower has the burden of proving that a credit grantor knew or should have known that a statement or characterization described in subsection (a) or (b) of this section was false or misleading when made and that loans or other extensions of credit obtained under a plan were not commercial loans or extensions of credit for a commercial purpose.

(d) Unless a credit grantor knew or should have known that a statement or characterization described in subsection (a) or (b) of this section was false or misleading when made, a credit grantor shall have no liability under this subtitle if loans or other extensions of credit under a plan are actually used by the borrower other than as commercial loans or other extensions of credit for a commercial purpose.

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