

Article - Commercial Law

[Previous][Next]

§14–2007.

(a) Except as otherwise provided in this subtitle, a lessor who fails to comply with any requirement imposed by this subtitle with respect to a person shall be liable to the person for:

(1) Any actual damage sustained by the person as a result of the failure;
and

(2) An amount equal to 25% of the total amount of monthly payments under the lease, but not less than \$100 nor greater than \$1,000.

(b) (1) A court may award reasonable attorney's fees to a prevailing party under this subtitle.

(2) If it appears to the satisfaction of the court that an action is brought in bad faith or is of a frivolous nature, the court may order the offending party to pay the other party reasonable attorney's fees.

(c) A violation of this subtitle shall be an unfair or deceptive trade practice within the meaning of Title 13 of this article, except that a person who recovers damages under this section for a violation of this subtitle shall not be entitled to recover damages for the same violation under § 13–408 of this article.

(d) A lessee may not recover damages in an action under this subtitle or under Title 13 of this article for any failure to comply with any provision of this subtitle if, within 60 days after discovering an error and prior to the institution of an action under this subtitle or under Title 13 of this article or the receipt of written notice of the error from the lessee, the lessor notifies the lessee of the error and makes whatever adjustments are necessary to correct the error.

(e) (1) If a complaint for violation of any provision of this subtitle is filed with the Commissioner of Financial Regulation, the Commissioner may investigate the complaint and hold a hearing on it in accordance with § 11-413 of the Financial Institutions Article.

(2) The Commissioner shall give to the person against whom a complaint is filed at least 10 days' written notice of the complaint and the time and place of any hearing. The notice shall be in writing and sent by registered or certified mail to the person's principal place of business.

(3) (i) If, after the hearing, the Commissioner finds that a person has engaged or is engaging in any act or practice prohibited by this subtitle, the Commissioner shall order the person to cease and desist from the act or practice.

(ii) The order of the Commissioner shall comply with the Administrative Procedure Act.

(4) (i) If no appeal is filed, the order becomes final after expiration of the time allowed by the Administrative Procedure Act for appeals from the Commissioner's order.

(ii) If an appeal is filed, the order becomes final after final decision of the court affirming the order or dismissing the appeal.

(5) For purposes of this section, the Commissioner's order may not apply to any:

(i) Incorporated bank, savings institution, or trust company;

(ii) Savings and loan association; or

(iii) Federal credit union or state chartered credit union.

(f) (1) In this subsection, "notice" means the first to occur of the following:

(i) When the lessor receives a written notice from the lessee notifying the lessor of an error or violation;

(ii) When the lessor receives a written notice from the Commissioner of Financial Regulation or the appropriate regulatory authority notifying the lessor of an error or violation; or

(iii) When the lessor receives service of process in a civil action for an error or violation instituted by a lessee in a court of competent jurisdiction.

(2) The penalty provided under subsection (a)(2) of this section does not apply where a lessor:

(i) Unintentionally and in good faith fails to comply with this subtitle; and

(ii) Corrects the error or violation and makes the lessee whole for all losses, including reasonable attorney's fees and interest, where appropriate, within 10 days after the lessor receives notice of the error or violation.

(3) The burden shall be on the lessor to show that the lessor's failure to comply with this subtitle was unintentional and in good faith.

(4) A lessor who knowingly violates any provision of this subtitle shall be liable to the lessee for 3 times the amount of fees and charges collected in excess of that authorized by this subtitle.

[Previous][Next]