Article - Commercial Law

§12–601.

(a) In this subtitle the following words have the meanings indicated.

(b) "Agreement" means an installment sale agreement, a renewed or extended installment sale agreement, and any renewal, extension, or refund agreement made in connection with an installment sale agreement.

(c) (1) "Buyer" means a person who buys or leases goods under an installment sale agreement, even though the person has entered into one or more renewal, extension, or refund agreements.

(2) "Buyer" includes a prospective buyer.

(d) "Cash price" means the minimum price for which goods subject to an installment sale agreement, or other goods of like kind and quality, may be purchased for cash from the seller by the buyer.

(e) (1) "Collateral security" means any security interest in, encumbrance on, or pledge of property or goods that is given to secure performance of an obligation of a buyer or a surety for a buyer under an agreement.

(2) "Collateral security" includes the undertaking of a surety for a buyer.

(3) "Collateral security" does not include any goods or interest in goods that are the subject of an installment sale agreement.

(f) "Consumer goods" means goods bought for use primarily for personal, family, or household purposes, as distinguished from industrial, commercial, or agricultural purposes.

(g) "County" includes Baltimore City.

(h) "Debt cancellation agreement" means an agreement between a seller and a buyer which provides for cancellation of the outstanding balance payable under an installment sale agreement in the event of theft or total destruction of the motor vehicle that is the subject of the installment sale agreement minus the proceeds of any insurance maintained on the motor vehicle or, if the buyer does not have insurance, the actual cash value of the motor vehicle at the time of loss, determined as provided in the agreement.

(i) "Down payment" includes all amounts paid in cash, credits, or the agreed value of goods, by or for a buyer and to or for the benefit of a seller at or before execution of an installment sale agreement.

(j) "Finance charge" means the amount in excess of the cash price of the goods sold, agreed on by a seller and a buyer, to be paid by the buyer for the privilege of

purchasing the goods under an installment sale agreement.

(k) (1) "Goods" means all tangible personal property that has a cash price of $25,000 or less.

(2) "Goods" does not include money or things in action.

(l) "Holder" means a person, including a seller and a sales finance company, entitled to enforce an agreement against a buyer.

(m) (1) "Installment sale agreement" means a contract for the retail sale of consumer goods, negotiated or entered into in this State, under which:

(i) Part or all of the price is payable in one or more payments after the making of the contract; and

(ii) The seller takes collateral security or keeps a security interest in the goods sold.

(2) "Installment sale agreement" includes:

(i) A prospective installment sale agreement;

(ii) A purchase money security agreement; and

(iii) A contract for the bailment or leasing of consumer goods under which the bailee or lessee contracts to pay as compensation a sum that is substantially equal to or is more than the value of the goods.

(3) "Installment sale agreement" does not include:

(i) A bona fide C.O.D. transaction or a layaway agreement as defined in § 14–1101(g) of this article; or

(ii) A lease for industrial, commercial, or agricultural purposes.

(n) "Mechanical repair contract" has the meaning stated in Title 15, Subtitle 3 of the Transportation Article.

(o) "Motor vehicle" has the meaning stated in Title 11 of the Transportation Article.

(p) "Outstanding balance", when used in reference to a debt cancellation agreement, does not include:

(1) Any delinquent or deferred payments;

(2) Past due charges;

(3) Late payment charges;

(4) Unearned interest;

(5) Unearned rental payments;

(6) The portion of any financed taxes or charges, including charges for credit life insurance, credit health insurance, credit involuntary unemployment benefit insurance, and mechanical repair contracts, actually refunded to the buyer or credited as a reduction to the loan balance; or

(7) By agreement of the parties, the amount of any primary insurance deductible.

(q) "Person" includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

(r) "Principal balance" means the sum of items described in § 12–606(b)(5), (6), and (7) of this subtitle.

(s) "Retail sale" means the sale of goods for use or consumption by the buyer or for the benefit or satisfaction that the buyer may derive from the use or consumption of the goods by another, but not for resale by the buyer.

(t) "Sales finance company" means a person who is engaged, whether by purchase, discount, pledge, loan, or otherwise, in the business of acquiring, investing in, or lending money or credit on the security of any interest in:

(1) An installment sale agreement made between other parties;

(2) A retail credit account transaction, as defined in § 12–501 of this title, made between other parties; or

(3) A transaction that deals with home improvement, as defined in § 8–101 of the Business Regulation Article, made between other parties, if collateral security is required by and given to the contractor as a condition to the transaction.

(u) "Security interest" has the meaning stated in § 1–201(37) of this article.

(v) "Seller" means a person who sells or leases or agrees to sell or lease goods under an installment sale agreement.

(w) (1) "Surety" includes a guarantor.

(2) "Surety" does not include a seller who sells, transfers, or assigns an agreement.

(x) "Time balance" means the sum of the items described in § 12–606(b)(10) and

(11) of this subtitle.

(y) "Wages" means all remuneration paid to any employee for his employment, including the cash value of all remuneration paid in any medium other than cash.