

## Article - Commercial Law

§12-923.

(a) This section applies only to a plan established by a credit grantor under this subtitle for a consumer borrower.

(b) (1) Paragraph (2) of this subsection applies only to a loan or an extension of credit primarily for personal, household, or family purposes.

(2) An agreement governing a revolving credit plan or any instrument which evidences or secures an extension of credit under the plan may not contain:

(i) An assignment or order for the payment of wages, whether earned or to be earned, or of any chose in action covering lost wages;

(ii) An acceleration clause under which any part or all of the unpaid balance of any extension of credit not yet matured may be declared due and payable because the credit grantor deems itself insecure;

(iii) A confession of judgment or any power of attorney authorizing the credit grantor to appear in court to confess judgment against the borrower or a surety or guarantor of the borrower, or any other waiver of the right to notice and an opportunity to be heard in the event of suit or process thereon; or

(iv) A provision by which a person acting on behalf of a holder of the agreement is treated as an agent of the borrower in connection with its formation or execution.

(3) Except as expressly allowed by law, an agreement governing a revolving credit plan or any instrument which evidences or secures an extension of credit under the plan may not contain a provision by which the borrower waives any right accruing to the borrower under this subtitle.

(4) (i) Any clause or provision in an agreement governing the plan or in any instrument which evidences or secures an extension of credit under a plan that is in violation of this subsection shall be unenforceable.

(ii) Subject to subparagraph (iii) of this paragraph, the penalties set out under §§ 12-917 and 12-918 of this subtitle do not apply unless the credit grantor attempts to enforce a provision prohibited under this subsection.

(iii) The penalties set out under §§ 12-917 and 12-918 of this subtitle do not apply to the enforcement by a credit grantor of a provision otherwise prohibited under this subsection where the enforcement was initiated by the credit grantor prior to October 1, 1993.

(c) Unless a borrower has notice of an assignment of the account established under the plan, any payments made by the borrower to the last known holder of the

account shall discharge the borrower's obligation to the extent of the payments.

(d) Upon receipt of a cash payment from a borrower, a credit grantor shall give the borrower a written receipt for the payment.