

## Article - Financial Institutions

§11-401.

(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) (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.

(e) (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.

(f) (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 the Commercial Law Article; or

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

(g) “License” means a license issued by the Commissioner under this subtitle to engage in business as a sales finance company.

(h) “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.

(i) “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.

(j) “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 the Commercial Law Article, 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.

(k) “Security interest” has the meaning stated in § 1-201(37) of the Commercial Law Article.

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

(m) (1) “Surety” includes a guarantor.

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