
By: **Delegate Giannetti**

Introduced and read first time: February 11, 2000

Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Credit Regulation - Permitted Rates of Interest - Loans to Limited Liability**
3 **Companies**

4 FOR the purpose of authorizing lenders who make loans under certain provisions of
5 law to charge interest at any rate if the loan is made to a limited liability
6 company.

7 BY repealing and reenacting, with amendments,
8 Article - Commercial Law
9 Section 12-103(e)
10 Annotated Code of Maryland
11 (1990 Replacement Volume and 1999 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Commercial Law**

15 12-103.

16 (e) (1) A lender may charge interest at any rate if the loan is:

17 (i) A loan made to a corporation OR TO A LIMITED LIABILITY
18 COMPANY;

19 (ii) A commercial loan in excess of \$15,000 not secured by
20 residential real property; or

21 (iii) A commercial loan in excess of \$75,000 secured by residential
22 real property.

23 (2) Commercial loans to individuals secured by residential real property
24 shall comply with the provisions of § 12-407.1 of the Commercial Law Article.

1 (3) As used in this subsection, residential real property is
2 owner-occupied property having a dwelling on it designated principally as a residence
3 with accommodations for not more than 4 families.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2000.