
By: **Delegates Healey and McIntosh**
Introduced and read first time: February 18, 2000
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Unsolicited Loans**

3 FOR the purpose of prohibiting a creditor from sending a check or other negotiable
4 instrument to an individual if the check or other negotiable instrument is sent
5 in connection with an offer to extend credit to the individual and the individual
6 has not submitted an application for, or otherwise requested, the extension of
7 credit; defining a certain term; and generally relating to extensions of consumer
8 credit.

9 BY adding to
10 Article - Commercial Law
11 Section 13-319
12 Annotated Code of Maryland
13 (1990 Replacement Volume and 1999 Supplement)

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

16 **Article - Commercial Law**

17 13-319.

18 (A) (1) IN THIS SECTION, "CREDITOR" MEANS A PERSON THAT ENGAGES IN
19 WHOLE OR IN PART IN THE BUSINESS OF MAKING LOANS OR OTHER EXTENSIONS OF
20 CREDIT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.

21 (2) "CREDITOR" INCLUDES A CREDIT CARD ISSUER.

22 (B) A CREDITOR MAY NOT SEND A CHECK OR OTHER NEGOTIABLE
23 INSTRUMENT TO AN INDIVIDUAL IF:

24 (1) THE CHECK OR OTHER NEGOTIABLE INSTRUMENT IS SENT IN
25 CONNECTION WITH AN OFFER TO EXTEND CREDIT TO THE INDIVIDUAL; AND

26 (2) THE INDIVIDUAL HAS NOT SUBMITTED AN APPLICATION FOR, OR
27 OTHERWISE REQUESTED, THE EXTENSION OF CREDIT.

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