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By: Senator Astle Introduced and read first time: February 2, 2000 Assigned to: Finance
Committee Report: Favorable Senate action: Adopted Read second time: March 7, 2000
CHAPTER
1 AN ACT concerning
Commercial Law - Revolving Credit Plans - Access to Home Equity Credit Through Use of Credit Device
FOR the purpose of repealing a certain provision of law that prohibits a revolving credit plan from being secured by a lien on residential real property under certain circumstances.
7 BY repealing and reenacting, with amendments, 8 Article - Commercial Law 9 Section 12-902 10 Annotated Code of Maryland 11 (1990 Replacement Volume and 1999 Supplement)
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
14 Article - Commercial Law
15 12-902.
16 (a) Any credit grantor may, subject to the other provisions of this subtitle:
17 (1) Offer and extend credit under a revolving credit plan to a borrower 18 and in that connection charge and collect the interest, finance charges, and other 19 charges permitted by this subtitle;
20 (2) (i) Take any security as collateral as may be acceptable to the 21 credit grantor.

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(4)

- 1 (ii) If real property is taken as security, the credit grantor shall 2 record the entire line of credit when the credit plan is established. Without limiting subsection (a) of this section, credit may be extended 3 4 under a revolving credit plan by a credit grantor's acquisition of obligations arising 5 out of the honoring of a credit device made available to a borrower under a plan, 6 whether directly or indirectly by means of telephone, point of sale terminal, automated teller machine or other electronic or similar device, or through the mails, 8 by: 9 (1) A merchant; 10 (2) A bank or other financial institution chartered or organized under 11 the laws of this or any other state, the District of Columbia, the United States or any district, territory, or possession of the United States, or any foreign country; 13 (3) Any other person or entity; or
- 15 [(c) Notwithstanding subsections (a) and (b) of this section, a revolving credit 16 plan may not be secured by a lien on residential real property if the plan is accessed 17 through the use of a credit device through which the credit grantor acquires purchase 18 obligations incurred by the honoring of the credit device.]

A government or governmental subdivision or agency.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 20 October 1, 2000.