

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

Senate Bill 340 (Senator Astle)

Finance

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**Commercial Law - Revolving Credit Plans -  
Access to Home Equity Credit Through Use of Credit Device**

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This bill repeals the provision of law that prohibits a revolving credit plan from being secured by a lien on residential real property if the plan is accessed through the use of a credit device through which the credit grantor acquires purchase obligations incurred by honoring the credit device.

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**Fiscal Summary**

**State Effect:** The bill would not directly affect governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Under a revolving credit plan, a credit grantor may take any security as collateral, except residential real property secured by a credit device through which the credit grantor acquires purchase obligations incurred by honoring the credit device. A credit device is “any card, plate, check, draft, identification code, or other means of identification contemplated by the agreement governing the plan.”

**Background:** The issuer of a credit card becomes obligated to a seller for the purchases made by a cardholder.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 698 (Delegate McIntosh, *et al.*) - Commerce and Government Matters.

**Information Source(s):** Department of Assessments and Taxation, Office of the Attorney General, Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2000

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