CF 5lr1438

I3 5lr2801

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By: Senator Teitelbaum

Introduced and read first time: February 17, 2005

Assigned to: Rules

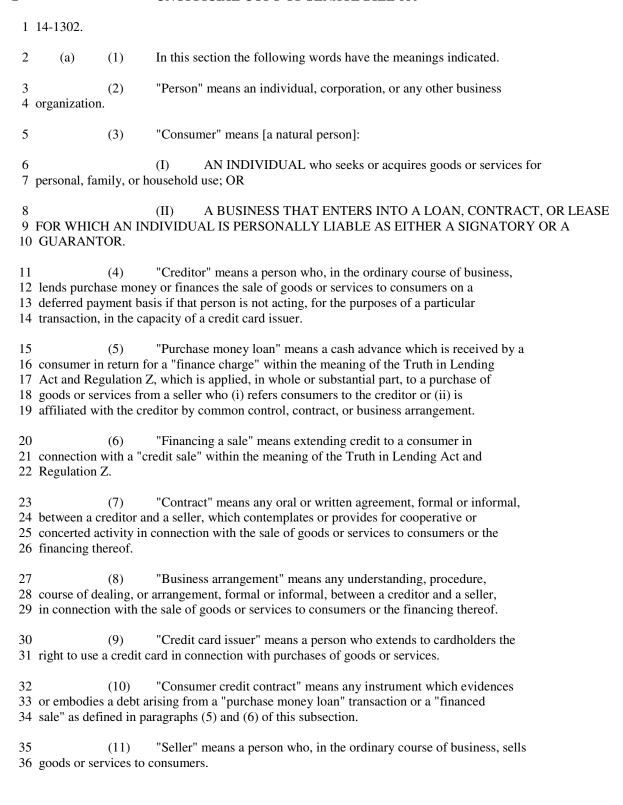
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(vii)

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	A BILL ENTITLED
1	AN ACT concerning
2 3	Consumer Protection - Claims and Defenses in Consumer Credit Contracts - Businesses
4 5 6 7 8	FOR the purpose of altering the definition of "consumer" to include a certain business for the purpose of preserving a consumer's claims and defenses in a consumer credit contract; specifying the rights and remedies provided to a certain consumer protected under a certain provision of law; and generally relating to consumer protection and consumer credit contracts.
9 10 11 12 13	Section 13-301(14)(vii) Annotated Code of Maryland
14 15 16 17 18	Section 14-1302 Annotated Code of Maryland
19 20	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
21	Article - Commercial Law
22	13-301.
23	Unfair or deceptive trade practices include any:
24	(14) Violation of a provision of:

Section 14-1302 of this article;



## **UNOFFICIAL COPY OF SENATE BILL 880**

1 2	(12) "Amounts paid by the debtor" shall include all amounts paid by the debtor and any remaining amount due under the contract.
	(b) In connection with any sale or lease in this State of goods or services to consumers, it is an unfair or deceptive trade practice within the meaning of Title 13 of this article for a seller, directly or indirectly, to:
6 7	(1) Take or receive a consumer credit contract which fails to contain the following provision in at least ten point, boldface type:
8	NOTICE
11	Any holder of this consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. Recovery hereunder by the debtor shall not exceed amounts paid by the debtor hereunder.
13	Or,
16	(2) Accept, as full or partial payment for such sale, the proceeds of any purchase money loan, unless any consumer credit contract made in connection with such purchase money loan contains the following provision in at least ten point, boldface type:
18	NOTICE
21	Any holder of this consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained with the proceeds hereof. Recovery hereunder by the debtor shall not exceed amounts paid by the debtor hereunder.
23	(c) (1) The provisions of this section do not apply where the seller:
26	[(1)] (I) Does not require a consumer credit contract which is a negotiable instrument or which contains any provision pursuant to which the consumer agrees to limit or waive claims or defenses which he may have against the seller as to any holder of the consumer credit contract; and
30	[(2)] (II) Does not transfer, sell, pledge or assign a consumer credit contract except under conditions where any transferee is subject to all claims and defenses which the consumer has against the seller to the same extent as provided in this section.
32 33	(2) ALL RIGHTS AND REMEDIES UNDER TITLE 13 OF THIS ARTICLE SHALL APPLY TO A VIOLATION OF THIS SECTION.
34 35	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2005.