

Chapter 316

(Senate Bill 582)

AN ACT concerning

Consumer Protection – Unsolicited Loans

FOR the purpose of prohibiting a ~~creditor~~ person from sending a check or other negotiable instrument to an individual under certain circumstances; establishing that an individual who receives a check or other negotiable instrument is not liable for the amount of the check or negotiable instrument under certain circumstances; and generally relating to extensions of consumer credit.

BY adding to

Article – Commercial Law

Section 14–1330

Annotated Code of Maryland

(2025 Replacement Volume)

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

Article – Commercial Law**14–1330.**

(A) ~~IN THIS SECTION, “CREDITOR” MEANS A PERSON THAT ENGAGES IN WHOLE OR IN PART IN THE BUSINESS OF MAKING LOANS OR OTHER EXTENSIONS OF CREDIT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES~~ THIS SECTION DOES NOT APPLY TO A PERSON THAT SENDS ~~A~~ TO AN INDIVIDUAL:

(1) A CONVENIENCE CHECK ~~TO AN INDIVIDUAL~~ FOR THE SOLE PURPOSE OF ACCESSING AN EXISTING CREDIT LINE OF THE INDIVIDUAL; OR

(2) A PRESCREENED FIRM OFFER OF UNSECURED CREDIT SUBJECT TO REGULATION UNDER THE FEDERAL FAIR CREDIT REPORTING ACT.

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

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

~~(2)~~ **(II) THE INDIVIDUAL HAS NOT SUBMITTED AN APPLICATION FOR OR OTHERWISE REQUESTED THE EXTENSION OF SECURED CREDIT BEFORE RECEIVING THE CHECK OR OTHER NEGOTIABLE INSTRUMENT; OR**

(2) THE CHECK OR OTHER NEGOTIABLE INSTRUMENT IS SENT AS PART OF AN UNSOLICITED OFFER TO PURCHASE REAL PROPERTY.

(C) AN INDIVIDUAL WHO IS SENT A CHECK OR OTHER NEGOTIABLE INSTRUMENT IN VIOLATION OF SUBSECTION (B) OF THIS SECTION IS NOT LIABLE FOR THE AMOUNT OF THE CHECK OR OTHER NEGOTIABLE INSTRUMENT UNLESS THE INDIVIDUAL ACTUALLY RECEIVES AND NEGOTIATES THE CHECK OR OTHER NEGOTIABLE INSTRUMENT.

(D) A ~~CREDITOR~~ PERSON THAT VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION SUBJECT TO A FINE NOT EXCEEDING \$500.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.

Approved by the Governor, April 28, 2026.