

SENATE BILL 827

I2

8lr3040
CF 8lr2390

By: **Senator Conway**

Introduced and read first time: February 8, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Prepayment Charges – Actions**

3 FOR the purpose of providing that an action for a violation of certain provisions of law
4 prohibiting prepayment charges from being imposed on certain consumer
5 borrowers may not be brought more than a certain number of years after the
6 prepayment charges are imposed; making a stylistic change; providing for the
7 application of this Act; and generally relating to prepayment charges.

8 BY repealing and reenacting, with amendments,
9 Article – Commercial Law
10 Section 12–1019
11 Annotated Code of Maryland
12 (2005 Replacement Volume and 2007 Supplement)

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

15 **Article – Commercial Law**

16 12–1019.

17 (A) [An] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN**
18 **action for A violation of this subtitle may not be brought more than 6 months after the**
19 **loan is satisfied.**

20 (B) **AN ACTION FOR A VIOLATION OF § 12–1009(E) OF THIS SUBTITLE**
21 **MAY NOT BE BROUGHT MORE THAN 3 YEARS AFTER A PREPAYMENT CHARGE IS**
22 **IMPOSED ON A CONSUMER BORROWER.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
24 construed to apply only prospectively and may not be applied or interpreted to have

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 any effect on or application to any cause of action arising before the effective date of
2 this Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2008.