

Article - Commercial Law

§12-1018.

(a) (1) In this subsection, “notice” means the first to occur of the following:

(i) When the credit grantor receives a written notice from the borrower notifying the credit grantor of an error or violation;

(ii) When the credit grantor receives a written notice from the Commissioner of Financial Regulation or the appropriate regulatory authority notifying the credit grantor of an error or violation; or

(iii) When the credit grantor receives service of process in a civil action for an error or violation instituted by the borrower in a court of competent jurisdiction.

(2) Except for a bona fide error of computation, if a credit grantor violates any provision of this subtitle the credit grantor may collect only the principal amount of the loan and may not collect any interest, costs, fees, or other charges with respect to the loan.

(3) The penalty provided under paragraph (2) of this subsection does not apply where a credit grantor:

(i) Unintentionally and in good faith fails to comply with § 12-1003, § 12-1004, § 12-1005, § 12-1008, § 12-1011, § 12-1013.2, § 12-1023(d), § 12-1024, § 12-1025, § 12-1026, § 12-1027, or § 12-1028 of this subtitle; and

(ii) Corrects the error or violation and makes the borrower whole for all losses, including reasonable attorney’s fees and interests, where appropriate, within 10 days after the credit grantor receives notice of the error or violation.

(4) The burden shall be on the credit grantor to show that the credit grantor’s failure to comply with § 12-1003, § 12-1004, § 12-1005, § 12-1008, § 12-1011, § 12-1013.2, § 12-1023(d), § 12-1024, § 12-1025, § 12-1026, § 12-1027, or § 12-1028 of this subtitle was unintentional and in good faith.

(b) In addition, a credit grantor who knowingly violates any provision of this subtitle shall forfeit to the borrower 3 times the amount of interest, fees, and charges collected in excess of that authorized by this subtitle.