

# SENATE BILL 496

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SB 825/22 – FIN

3lr1057

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By: **Senator Kramer**  
Introduced and read first time: February 3, 2023  
Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Credit Commercial Financing Transactions**

3 FOR the purpose of requiring that certain revenue, fees, and examination and investigation  
4 fees and assessments relating to commercial financing transactions be credited to  
5 the Nondepository Special Fund; regulating commercial financing transactions,  
6 including by establishing requirements related to disclosures, calculations of annual  
7 percentage rates, terms of repayments, and other related items, and the extension of  
8 special offers; and generally relating to commercial financing transactions.

9 BY repealing and reenacting, with amendments,  
10 Article – Financial Institutions  
11 Section 11–610(a)(13)(i), (b)(1), and (c)  
12 Annotated Code of Maryland  
13 (2020 Replacement Volume and 2022 Supplement)

14 BY adding to  
15 Article – Financial Institutions  
16 Section 12–1101 through 12–1114 to be under the new subtitle “Subtitle 11.  
17 Commercial Financing”  
18 Annotated Code of Maryland  
19 (2020 Replacement Volume and 2022 Supplement)

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

22 **Article – Financial Institutions**

23 11–610.

24 (a) There is a Nondepository Special Fund that consists of:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



1           (13) (i) Any other fee, examination or investigation fee or assessment, or  
2 revenue received by the Commissioner under this subtitle, Subtitles 2, 3, 4, and 5 of this  
3 title, Title 12, Subtitles 1, 4, 9, [and] 10, **AND 11** of this article, Title 12, Subtitle 14 of the  
4 Commercial Law Article, and Title 14, Subtitles 12 and 19 of the Commercial Law Article;  
5 and

6           (b) Notwithstanding subsection (a) of this section:

7           (1) The Commissioner shall pay all fines and penalties collected by the  
8 Commissioner under Title 2, Subtitle 1 of this article, this subtitle, Subtitles 2, 3, 4, and 5  
9 of this title, Title 12, Subtitles 1, 4, 9, [and] 10, **AND 11** of this article, Title 12, Subtitle 14  
10 of the Commercial Law Article, and Title 14, Subtitles 12 and 19 of the Commercial Law  
11 Article into the General Fund of the State; and

12           (c) The purpose of the Fund is to cover the direct and indirect costs of fulfilling  
13 the statutory and regulatory duties of the Commissioner and the State Collection Agency  
14 Licensing Board related to:

15           (1) Title 2, Subtitle 1 of this article;

16           (2) This subtitle;

17           (3) Subtitle 2 of this title;

18           (4) Subtitle 3 of this title;

19           (5) Subtitle 4 of this title;

20           (6) Subtitle 5 of this title;

21           (7) Title 12, Subtitle 1 of this article;

22           (8) Title 12, Subtitle 4 of this article;

23           (9) Title 12, Subtitle 9 of this article;

24           (10) Title 12, Subtitle 10 of this article;

25           **(11) TITLE 12, SUBTITLE 11 OF THIS ARTICLE;**

26           **[(11)] (12)** Title 7 of the Business Regulation Article;

27           **[(12)] (13)** Title 12 of the Commercial Law Article;

28           **[(13)] (14)** Title 14, Subtitles 12, 19, and 42 of the Commercial Law Article;



1           **(2) “FINANCE CHARGE” INCLUDES:**

2                   **(I) A CHARGE PAYABLE DIRECTLY OR INDIRECTLY BY A**  
3 **RECIPIENT AND IMPOSED DIRECTLY OR INDIRECTLY BY A PROVIDER AS AN**  
4 **INCIDENT TO OR A CONDITION OF THE EXTENSION OF COMMERCIAL FINANCING;**

5                   **(II) A CHARGE THAT WOULD BE INCLUDED UNDER 12 C.F.R. §**  
6 **1026.4 IF A TRANSACTION WERE SUBJECT TO 12 C.F.R. § 1026.4; AND**

7                   **(III) ANY ADDITIONAL CHARGES DETERMINED BY THE**  
8 **COMMISSIONER.**

9           **(F) (1) “OPEN-END FINANCING” MEANS AN AGREEMENT FOR ONE OR**  
10 **MORE EXTENSIONS OF SECURED OR UNSECURED OPEN-END CREDIT, THE**  
11 **PROCEEDS OF WHICH A RECIPIENT DOES NOT INTEND TO USE PRIMARILY FOR**  
12 **PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.**

13                   **(2) “OPEN-END FINANCING” INCLUDES CREDIT EXTENDED BY A**  
14 **PROVIDER UNDER A PLAN IN WHICH:**

15                   **(I) THE PROVIDER REASONABLY CONTEMPLATES REPEATED**  
16 **TRANSACTIONS;**

17                   **(II) THE PROVIDER MAY IMPOSE A FINANCE CHARGE ON AN**  
18 **OUTSTANDING UNPAID BALANCE; AND**

19                   **(III) THE AMOUNT OF CREDIT THAT MAY BE EXTENDED TO A**  
20 **RECIPIENT DURING THE TERM OF THE PLAN, UP TO A LIMIT THAT THE PROVIDER**  
21 **SETS, IS GENERALLY MADE AVAILABLE TO THE EXTENT THAT ANY OUTSTANDING**  
22 **BALANCE IS REPAID.**

23           **(G) (1) “PROVIDER” MEANS A PERSON THAT EXTENDS A SPECIFIC OFFER**  
24 **OF COMMERCIAL FINANCING TO A RECIPIENT.**

25                   **(2) “PROVIDER” INCLUDES A PERSON THAT SOLICITS AND PRESENTS**  
26 **A SPECIFIC OFFER OF COMMERCIAL FINANCING ON BEHALF OF A THIRD PARTY.**

27           **(H) (1) “RECIPIENT” MEANS A PERSON, OR THE PERSON’S AUTHORIZED**  
28 **REPRESENTATIVE, THAT APPLIES FOR COMMERCIAL FINANCING AND IS MADE A**  
29 **SPECIFIC OFFER OF COMMERCIAL FINANCING BY A PROVIDER.**

30                   **(2) “RECIPIENT” DOES NOT INCLUDE A PERSON ACTING AS A**  
31 **BROKER.**

1           **(I) (1) “SALES-BASED FINANCING” MEANS A TRANSACTION:**

2                           **(I) THAT IS REPAID BY A RECIPIENT TO A PROVIDER OVER TIME**  
3 **AS A PERCENTAGE OF SALES OR REVENUE, IN WHICH THE PAYMENT AMOUNT MAY**  
4 **INCREASE OR DECREASE ACCORDING TO THE VOLUME OF SALES MADE OR REVENUE**  
5 **RECEIVED BY THE RECIPIENT; AND**

6                           **(II) THE PROCEEDS OF WHICH THE RECIPIENT DOES NOT**  
7 **INTEND TO USE PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.**

8                           **(2) “SALES-BASED FINANCING” INCLUDES A TRANSACTION**  
9 **CONTAINING A TRUE-UP MECHANISM UNDER WHICH THE FINANCING IS REPAID AS**  
10 **A FIXED PAYMENT BUT PROVIDES FOR A RECONCILIATION PROCESS THAT ADJUSTS**  
11 **THE PAYMENT TO AN AMOUNT THAT IS A PERCENTAGE OF SALES OR REVENUE.**

12                           **(J) “SPECIFIC OFFER” MEANS THE TERMS OF COMMERCIAL FINANCING**  
13 **THAT ARE QUOTED TO A RECIPIENT, BASED ON INFORMATION OBTAINED FROM OR**  
14 **ABOUT THE RECIPIENT, WHICH IF ACCEPTED BY THE RECIPIENT ARE BINDING ON A**  
15 **PROVIDER, AS APPLICABLE, SUBJECT TO REQUIREMENTS STATED IN THE TERMS OF**  
16 **THE COMMERCIAL FINANCING.**

17 **12-1102.**

18           **THIS SUBTITLE DOES NOT APPLY TO:**

19                           **(1) (I) A FEDERAL OR STATE BANK, CREDIT UNION, OR SAVINGS**  
20 **ASSOCIATION; OR**

21                           **(II) A SUBSIDIARY OR AFFILIATE OF AN ORGANIZATION LISTED**  
22 **IN ITEM (I) OF THIS ITEM;**

23                           **(2) A PERSON ACTING AS A TECHNOLOGY SERVICES PROVIDER TO AN**  
24 **ENTITY EXEMPT UNDER THIS SECTION FOR USE AS PART OF THE ENTITY’S**  
25 **COMMERCIAL FINANCING PROGRAM IF THE PERSON DOES NOT HAVE AN INTEREST,**  
26 **ARRANGEMENT, OR AGREEMENT TO PURCHASE ANY INTEREST IN THE COMMERCIAL**  
27 **FINANCING EXTENDED BY THE ENTITY IN CONNECTION WITH THE COMMERCIAL**  
28 **FINANCING PROGRAM;**

29                           **(3) A LENDER REGULATED UNDER THE FEDERAL FARM CREDIT ACT;**

30                           **(4) A COMMERCIAL FINANCING TRANSACTION SECURED BY REAL**  
31 **PROPERTY;**

1           **(5) A LEASE AS DEFINED IN ARTICLE 2A OF THE UNIFORM**  
2 **COMMERCIAL CODE;**

3           **(6) A PROVIDER OR OTHER PERSON WHO MAKES NOT MORE THAN**  
4 **FIVE COMMERCIAL FINANCING TRANSACTIONS IN THE STATE IN A 12-MONTH**  
5 **PERIOD;**

6           **(7) A COMMERCIAL FINANCING TRANSACTION MORE THAN**  
7 **\$2,500,000;**

8           **(8) A COMMERCIAL FINANCING TRANSACTION:**

9           **(I) IN WHICH THE RECIPIENT IS:**

10                   **1. A DEALER, OR AN AFFILIATE OF A DEALER, AS**  
11 **DEFINED IN § 11-111 OF THE TRANSPORTATION ARTICLE; OR**

12                   **2. A RENTAL VEHICLE COMPANY, OR AN AFFILIATE OF A**  
13 **RENTAL VEHICLE COMPANY, AS DEFINED IN § 18-108 OF THE TRANSPORTATION**  
14 **ARTICLE; AND**

15           **(II) MADE UNDER A COMMERCIAL FINANCING AGREEMENT OR**  
16 **COMMERCIAL OPEN-END CREDIT PLAN OF AT LEAST \$50,000, INCLUDING A**  
17 **COMMERCIAL LOAN MADE IN ACCORDANCE WITH THE COMMERCIAL FINANCING**  
18 **TRANSACTION; OR**

19           **(9) A COMMERCIAL FINANCING TRANSACTION THAT IS A FACTORING**  
20 **TRANSACTION, AN ADVANCE, OR A SIMILAR TRANSACTION OF ACCOUNTS**  
21 **RECEIVABLE OWED TO A HEALTH CARE PROVIDER BECAUSE OF A PATIENT'S**  
22 **PERSONAL INJURY TREATED BY THE HEALTH CARE PROVIDER.**

23 **12-1103.**

24           **(A) EXCEPT AS PROVIDED IN § 12-1107 OF THIS SUBTITLE, FOR PURPOSES**  
25 **OF THIS SUBTITLE, AN ANNUAL PERCENTAGE RATE SHALL BE:**

26                   **(1) EXPRESSED AS A YEARLY RATE, INCLUDING ALL FEES AND**  
27 **FINANCE CHARGES; AND**

28                   **(2) CALCULATED IN ACCORDANCE WITH THE FEDERAL TRUTH IN**  
29 **LENDING ACT.**

30           **(B) IN ADDITION TO THE REQUIREMENTS OF SUBSECTION (A)(2) OF THIS**  
31 **SECTION, AN ANNUAL PERCENTAGE RATE SHALL BE CALCULATED BASED ON THE**

1 ESTIMATED TERM OF REPAYMENT AND THE PROJECTED PERIODIC PAYMENT  
2 AMOUNTS OF A COMMERCIAL FINANCING TRANSACTION, REGARDLESS OF WHETHER  
3 FEDERAL LAW OR REGULATION WOULD REQUIRE AN ANNUAL PERCENTAGE RATE TO  
4 BE CALCULATED FOR A CERTAIN TRANSACTION.

5 12-1104.

6 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (2) "ESTIMATED TERM OF REPAYMENT" MEANS THE AMOUNT OF  
9 TIME REQUIRED FOR THE PERIODIC PAYMENTS MADE BY A RECIPIENT IN A  
10 SALES-BASED FINANCING TRANSACTION TO EQUAL THE TOTAL AMOUNT REQUIRED  
11 TO BE REPAYED.

12 (3) "TOTAL REPAYMENT AMOUNT" MEANS THE DISBURSEMENT  
13 AMOUNT OF A SALES-BASED FINANCING TRANSACTION PLUS THE FINANCE CHARGE.

14 (B) (1) A PROVIDER SHALL DISCLOSE THE FOLLOWING INFORMATION TO  
15 A RECIPIENT WHEN EXTENDING A SPECIFIC OFFER OF SALES-BASED FINANCING:

16 (I) THE TOTAL AMOUNT OF THE SALES-BASED FINANCING AND  
17 THE DISBURSEMENT AMOUNT, IF DIFFERENT FROM THE FINANCING AMOUNT,  
18 MINUS ANY FEES DEDUCTED OR WITHHELD AT DISBURSEMENT;

19 (II) THE FINANCE CHARGE;

20 (III) THE ESTIMATED ANNUAL PERCENTAGE RATE OF THE  
21 SALES-BASED FINANCING, USING THE WORDS "ANNUAL PERCENTAGE RATE" OR THE  
22 ABBREVIATION "APR";

23 (IV) THE TOTAL REPAYMENT AMOUNT;

24 (V) THE ESTIMATED TERM OF REPAYMENT;

25 (VI) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
26 PROJECTED PERIODIC PAYMENT AMOUNTS;

27 (VII) A DESCRIPTION OF ANY OTHER POTENTIAL FEES AND  
28 CHARGES NOT INCLUDED IN THE FINANCE CHARGE, INCLUDING DRAW FEES, LATE  
29 PAYMENT FEES, AND RETURNED PAYMENT FEES; AND

30 (VIII) IF APPLICABLE, A DESCRIPTION OF COLLATERAL  
31 REQUIREMENTS OR SECURITY INTERESTS.

1           **(2) (I) FOR PAYMENT AMOUNTS THAT ARE FIXED, A PROVIDER**  
2 **SHALL DISCLOSE:**

3                   **1. THE PAYMENT AMOUNTS AND FREQUENCY; AND**

4                   **2. IF THE PAYMENT FREQUENCY IS OTHER THAN**  
5 **MONTHLY, THE AMOUNT OF THE AVERAGE PROJECTED PAYMENTS PER MONTH.**

6           **(II) FOR PAYMENT AMOUNTS THAT ARE VARIABLE, A PROVIDER**  
7 **SHALL DISCLOSE:**

8                   **1. THE PAYMENT SCHEDULE OR A DESCRIPTION OF THE**  
9 **METHOD USED TO CALCULATE THE AMOUNTS AND FREQUENCY OF PAYMENTS; AND**

10                   **2. THE AMOUNT OF THE AVERAGE PROJECTED**  
11 **PAYMENTS PER MONTH.**

12           **(C) (1) IF A RECIPIENT PAYS OFF OR REFINANCES THE SALES-BASED**  
13 **FINANCING BEFORE THE END OF THE SCHEDULED REPAYMENT PERIOD, A**  
14 **PROVIDER SHALL DISCLOSE WHETHER THE RECIPIENT WOULD BE REQUIRED TO**  
15 **PAY:**

16                   **(I) ANY FINANCE CHARGES OTHER THAN THE INTEREST**  
17 **ACCRUED SINCE THE RECIPIENT'S LAST PAYMENT; AND**

18                   **(II) ANY ADDITIONAL FEES NOT INCLUDED IN THE FINANCE**  
19 **CHARGE.**

20           **(2) IF A RECIPIENT WOULD BE REQUIRED TO PAY ADDITIONAL**  
21 **FINANCE CHARGES OTHER THAN THE INTEREST ACCRUED SINCE THE RECIPIENT'S**  
22 **LAST PAYMENT, A PROVIDER SHALL DISCLOSE THE PERCENTAGE OF ANY UNPAID**  
23 **PORTION OF THE FINANCE CHARGE AND THE MAXIMUM DOLLAR AMOUNT THE**  
24 **RECIPIENT COULD BE REQUIRED TO PAY.**

25 **12-1105.**

26           **(A) (1) A PROVIDER SHALL USE THE PROJECTED SALES VOLUME OF A**  
27 **RECIPIENT TO CALCULATE THE FOLLOWING INFORMATION RELATED TO A**  
28 **SALES-BASED FINANCING TRANSACTION:**

29                   **(I) THE ESTIMATED TERM OF REPAYMENT AND THE**  
30 **PROJECTED PAYMENT AMOUNTS OF A SALES-BASED FINANCING TRANSACTION; AND**



1                   **(II) THE ESTIMATED ANNUAL PERCENTAGE RATE OF A**  
2 **SALES-BASED FINANCING TRANSACTION.**

3                   **(2) THE ESTIMATED ANNUAL PERCENTAGE RATE OF A SALES-BASED**  
4 **FINANCING TRANSACTION SHALL BE CALCULATED:**

5                   **(I) IN ACCORDANCE WITH THE FEDERAL TRUTH IN LENDING**  
6 **ACT AND REGULATION Z, 12 C.F.R. § 1026.22; AND**

7                   **(II) BASED ON THE ESTIMATED TERM OF REPAYMENT AND**  
8 **PROJECTED SALES VOLUME OF A RECIPIENT.**

9                   **(B) (1) A PROVIDER MAY CALCULATE THE PROJECTED SALES VOLUME OF**  
10 **A RECIPIENT USING EITHER THE HISTORICAL METHOD OR THE OPT-IN METHOD.**

11                   **(2) (I) A PROVIDER THAT USES THE HISTORICAL METHOD TO**  
12 **CALCULATE THE PROJECTED SALES VOLUME OF A RECIPIENT SHALL USE AN**  
13 **AVERAGE HISTORICAL VOLUME OF SALES OR REVENUE.**

14                   **(II) A PROVIDER SHALL FIX THE HISTORICAL TIME PERIOD**  
15 **USED TO CALCULATE THE AVERAGE HISTORICAL VOLUME AND USE THE SAME TIME**  
16 **PERIOD FOR ALL DISCLOSURE PURPOSES FOR ANY SALES-BASED FINANCING**  
17 **TRANSACTION PRODUCTS OFFERED.**

18                   **(III) EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF THIS**  
19 **PARAGRAPH, THE FIXED HISTORICAL TIME PERIOD:**

20                   **1. MAY NOT BE LESS THAN 1 MONTH AND MAY NOT**  
21 **EXCEED 12 MONTHS; AND**

22                   **2. SHALL BE THE TIME PERIOD DIRECTLY BEFORE THE**  
23 **SPECIFIC OFFER WAS MADE.**

24                   **(IV) A PROVIDER MAY CHOOSE TO USE THE AVERAGE SALES FOR**  
25 **THE SAME NUMBER OF MONTHS AS THE PROVIDER WOULD HAVE USED UNDER**  
26 **PARAGRAPH (3) OF THIS SUBSECTION WITH THE HIGHEST SALES VOLUME WITHIN**  
27 **THE PAST 12 MONTHS.**

28                   **(3) A PROVIDER MAY USE THE OPT-IN METHOD TO DETERMINE THE**  
29 **INFORMATION LISTED UNDER SUBSECTION (A)(1) OF THIS SECTION BY USING A**  
30 **PROJECTED SALES VOLUME THAT THE PROVIDER CHOOSES FOR EACH DISCLOSURE**  
31 **IF THE RECIPIENT PARTICIPATES IN A REVIEW PROCESS ESTABLISHED BY THE**  
32 **COMMISSIONER.**

1           **(C) A PROVIDER SHALL NOTIFY THE COMMISSIONER WHICH OF THE TWO**  
2 **METHODS THE PROVIDER INTENDS TO USE WHEN CALCULATING THE ESTIMATED**  
3 **ANNUAL PERCENTAGE OF EACH SALES-BASED FINANCING TRANSACTION.**

4           **(D) (1) ON OR BEFORE JANUARY 1 EACH YEAR, A PROVIDER SHALL**  
5 **REPORT TO THE COMMISSIONER ON:**

6                   **(I) THE ESTIMATED ANNUAL PERCENTAGE RATES GIVEN TO**  
7 **EACH RECIPIENT; AND**

8                   **(II) THE ACTUAL ANNUAL PERCENTAGE RATES OF EACH**  
9 **COMPLETED SALES-BASED FINANCING TRANSACTION.**

10           **(2) (I) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**  
11 **SUBSECTION SHALL CONTAIN ANY INFORMATION THE COMMISSIONER CONSIDERS**  
12 **NECESSARY TO DETERMINE WHETHER THE DEVIATION BETWEEN THE ESTIMATED**  
13 **ANNUAL PERCENTAGE RATES AND ACTUAL ANNUAL PERCENTAGE RATES OF**  
14 **COMPLETED SALES-BASED FINANCING TRANSACTIONS IS REASONABLE.**

15                   **(II) THE COMMISSIONER MAY CONSIDER EXTRAORDINARY**  
16 **CIRCUMSTANCES WHEN DETERMINING WHETHER THE PROVIDER'S DEVIATION**  
17 **BETWEEN THE ESTIMATED ANNUAL PERCENTAGE RATE AND ACTUAL ANNUAL**  
18 **PERCENTAGE RATE OF A SALES-BASED FINANCING TRANSACTION IS REASONABLE.**

19                   **(III) IF THE COMMISSIONER FINDS THAT THERE WAS AN**  
20 **UNREASONABLE DEVIATION BETWEEN ESTIMATED AND ACTUAL ANNUAL**  
21 **PERCENTAGE RATES OF SALES-BASED FINANCING TRANSACTIONS, THE**  
22 **COMMISSIONER MAY REQUIRE THE PROVIDER TO USE THE HISTORICAL METHOD**  
23 **INSTEAD OF THE OPT-IN METHOD IN DETERMINING THE PROJECTED SALES VOLUME**  
24 **OF THE RECIPIENT.**

25 **12-1106.**

26           **(A) IN THIS SECTION, "TOTAL REPAYMENT AMOUNT" MEANS THE**  
27 **DISBURSEMENT AMOUNT OF A CLOSED-END FINANCING TRANSACTION PLUS THE**  
28 **FINANCE CHARGE.**

29           **(B) (1) A PROVIDER SHALL DISCLOSE THE FOLLOWING INFORMATION TO**  
30 **A RECIPIENT WHEN EXTENDING A SPECIFIC OFFER FOR CLOSED-END FINANCING:**

31                   **(I) THE TOTAL AMOUNT OF THE CLOSED-END FINANCING AND**  
32 **THE DISBURSEMENT AMOUNT, IF DIFFERENT FROM THE FINANCING AMOUNT,**  
33 **MINUS ANY FEES DEDUCTED OR WITHHELD AT DISBURSEMENT;**

1                   **(II) THE TOTAL REPAYMENT AMOUNT;**

2                   **(III) THE FINANCE CHARGE;**

3                   **(IV) THE ANNUAL PERCENTAGE RATE OF THE CLOSED-END**  
4 **FINANCING, USING THE WORDS “ANNUAL PERCENTAGE RATE” OR THE**  
5 **ABBREVIATION “APR”;**

6                   **(V) THE TERM OF THE FINANCING;**

7                   **(VI) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
8 **PROJECTED PERIODIC PAYMENT AMOUNTS;**

9                   **(VII) A DESCRIPTION OF ANY OTHER POTENTIAL FEES AND**  
10 **CHARGES NOT INCLUDED IN THE FINANCE CHARGE, INCLUDING DRAW FEES, LATE**  
11 **PAYMENT FEES, AND RETURNED PAYMENT FEES; AND**

12                   **(VIII) IF APPLICABLE, A DESCRIPTION OF COLLATERAL**  
13 **REQUIREMENTS OR SECURITY INTERESTS.**

14                   **(2) (I) FOR PAYMENT AMOUNTS THAT ARE FIXED, A PROVIDER**  
15 **SHALL DISCLOSE:**

16                               **1. THE PAYMENT AMOUNTS AND FREQUENCY; AND**

17                               **2. IF THE PAYMENT FREQUENCY IS OTHER THAN**  
18 **MONTHLY, THE AMOUNT OF THE AVERAGE PROJECTED PAYMENTS PER MONTH.**

19                   **(II) FOR PAYMENT AMOUNTS THAT ARE VARIABLE, A PROVIDER**  
20 **SHALL DISCLOSE:**

21                               **1. THE PAYMENT SCHEDULE OR A DESCRIPTION OF THE**  
22 **METHOD USED TO CALCULATE THE AMOUNTS AND FREQUENCY OF PAYMENTS; AND**

23                               **2. THE AMOUNT OF THE AVERAGE PROJECTED**  
24 **PAYMENTS PER MONTH.**

25                   **(3) THE ANNUAL PERCENTAGE RATE REQUIRED TO BE DISCLOSED**  
26 **UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION SHALL BE:**

27                               **(I) EXPRESSED AS A YEARLY RATE, INCLUSIVE OF ANY FEES**  
28 **AND FINANCE CHARGES THAT CANNOT BE AVOIDED BY A RECIPIENT; AND**

1                   **(II) CALCULATED IN ACCORDANCE WITH THE FEDERAL TRUTH**  
2 **IN LENDING ACT AND REGULATION Z, 12 C.F.R. § 1026.22, REGARDLESS OF**  
3 **WHETHER FEDERAL LAW OR REGULATION WOULD REQUIRE THE CALCULATION.**

4           **(C) (1) IF A RECIPIENT PAYS OFF OR REFINANCES THE CLOSED-END**  
5 **FINANCING BEFORE THE END OF THE SCHEDULED REPAYMENT PERIOD, A**  
6 **PROVIDER SHALL DISCLOSE WHETHER THE RECIPIENT WOULD BE REQUIRED TO**  
7 **PAY:**

8                   **(I) ANY FINANCE CHARGES OTHER THAN THE INTEREST**  
9 **ACCRUED SINCE THE RECIPIENT'S LAST PAYMENT; AND**

10                   **(II) ANY ADDITIONAL FEES NOT INCLUDED IN THE FINANCE**  
11 **CHARGE.**

12                   **(2) IF A RECIPIENT WOULD BE REQUIRED TO PAY ADDITIONAL**  
13 **FINANCE CHARGES OTHER THAN THE INTEREST ACCRUED SINCE THE RECIPIENT'S**  
14 **LAST PAYMENT, A PROVIDER SHALL DISCLOSE THE PERCENTAGE OF ANY UNPAID**  
15 **PORTION OF THE FINANCE CHARGE AND MAXIMUM DOLLAR AMOUNT THE**  
16 **RECIPIENT COULD BE REQUIRED TO PAY.**

17 **12-1107.**

18           **(A) IN THIS SECTION, "TOTAL REPAYMENT AMOUNT" MEANS THE DRAW**  
19 **AMOUNT OF THE OPEN-END FINANCING TRANSACTION, MINUS ANY FEES DEDUCTED**  
20 **OR WITHHELD AT DISBURSEMENT, PLUS THE FINANCE CHARGE.**

21           **(B) (1) WHEN CALCULATING THE TOTAL REPAYMENT AMOUNT IN**  
22 **ACCORDANCE WITH THIS SECTION, A PROVIDER SHALL ASSUME A DRAW AMOUNT**  
23 **EQUAL TO THE MAXIMUM AMOUNT OF CREDIT AVAILABLE TO THE RECIPIENT IF**  
24 **DRAWN AND HELD FOR THE DURATION OF THE TERM OR DRAW PERIOD.**

25                   **(2) WHEN CALCULATING A FINANCE CHARGE IN ACCORDANCE WITH**  
26 **THIS SECTION, A PROVIDER SHALL ASSUME THE MAXIMUM AMOUNT OF CREDIT**  
27 **AVAILABLE TO THE RECIPIENT, IN EACH CASE, IS DRAWN AND HELD FOR THE**  
28 **DURATION OF THE TERM OF THE DRAW PERIOD.**

29           **(C) (1) A PROVIDER SHALL DISCLOSE THE FOLLOWING INFORMATION TO**  
30 **A RECIPIENT WHEN EXTENDING A SPECIFIC OFFER FOR OPEN-END FINANCING:**

31                   **(I) THE MAXIMUM AMOUNT OF CREDIT AVAILABLE TO THE**  
32 **RECIPIENT AND THE AMOUNT SCHEDULED TO BE DRAWN BY THE RECIPIENT AT THE**  
33 **TIME THE OFFER IS EXTENDED, IF ANY, MINUS ANY FEES DEDUCTED OR WITHHELD**  
34 **AT DISBURSEMENT;**

1 (II) THE FINANCE CHARGE;

2 (III) THE TOTAL REPAYMENT AMOUNT;

3 (IV) THE ANNUAL PERCENTAGE RATE OF THE COMMERCIAL  
4 FINANCING, USING THE WORDS "ANNUAL PERCENTAGE RATE" OR THE  
5 ABBREVIATION "APR";

6 (V) THE TERM OF THE PLAN, IF APPLICABLE, OR THE PERIOD  
7 OVER WHICH A DRAW IS AMORTIZED;

8 (VI) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
9 PAYMENT FREQUENCY AND AMOUNTS;

10 (VII) A DESCRIPTION OF ANY OTHER POTENTIAL FEES AND  
11 CHARGES NOT INCLUDED IN THE FINANCE CHARGE, INCLUDING DRAW FEES, LATE  
12 PAYMENT FEES, AND RETURNED PAYMENT FEES; AND

13 (VIII) IF APPLICABLE, A DESCRIPTION OF COLLATERAL  
14 REQUIREMENTS OR SECURITY INTERESTS.

15 (2) (I) FOR PAYMENT AMOUNTS THAT ARE FIXED, A PROVIDER  
16 SHALL DISCLOSE:

17 1. THE PAYMENT AMOUNTS AND FREQUENCY; AND

18 2. IF THE PAYMENT FREQUENCY IS OTHER THAN  
19 MONTHLY, THE AMOUNT OF THE AVERAGE PROJECTED PAYMENTS PER MONTH.

20 (II) FOR PAYMENT AMOUNTS THAT ARE VARIABLE, A PROVIDER  
21 SHALL DISCLOSE:

22 1. THE PAYMENT SCHEDULE OR A DESCRIPTION OF THE  
23 METHOD USED TO CALCULATE THE AMOUNTS AND FREQUENCY OF PAYMENTS; AND

24 2. THE AMOUNT OF THE AVERAGE PROJECTED  
25 PAYMENTS PER MONTH.

26 (3) THE ANNUAL PERCENTAGE RATE REQUIRED TO BE DISCLOSED  
27 UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION SHALL BE:

28 (I) EXPRESSED AS A NOMINAL YEARLY RATE, INCLUSIVE OF  
29 ANY FEES AND FINANCE CHARGES THAT CANNOT BE AVOIDED BY A RECIPIENT;

1 (II) CALCULATED IN ACCORDANCE WITH THE FEDERAL TRUTH  
2 IN LENDING ACT AND REGULATION Z, 12 C.F.R. § 1026.22; AND

3 (III) BASED ON THE MAXIMUM AMOUNT OF CREDIT AVAILABLE  
4 TO THE RECIPIENT AND THE TERM RESULTING FROM MAKING THE MINIMUM  
5 REQUIRED PAYMENTS AS DISCLOSED, REGARDLESS OF WHETHER FEDERAL LAW OR  
6 REGULATION WOULD REQUIRE THE CALCULATION.

7 (D) (1) IF A RECIPIENT PAYS OFF OR REFINANCES THE OPEN-END  
8 FINANCING BEFORE THE END OF THE SCHEDULED REPAYMENT PERIOD, A  
9 PROVIDER SHALL DISCLOSE WHETHER THE RECIPIENT WOULD BE REQUIRED TO  
10 PAY:

11 (I) ANY FINANCE CHARGES OTHER THAN THE INTEREST  
12 ACCRUED SINCE THE RECIPIENT'S LAST PAYMENT; AND

13 (II) ANY ADDITIONAL FEES NOT INCLUDED IN THE FINANCE  
14 CHARGE.

15 (2) IF A RECIPIENT WOULD BE REQUIRED TO PAY ADDITIONAL  
16 FINANCE CHARGES OTHER THAN THE INTEREST ACCRUED SINCE THE RECIPIENT'S  
17 LAST PAYMENT, A PROVIDER SHALL DISCLOSE THE PERCENTAGE OF ANY UNPAID  
18 PORTION OF THE FINANCE CHARGE AND MAXIMUM DOLLAR AMOUNT THE  
19 RECIPIENT COULD BE REQUIRED TO PAY.

20 12-1108.

21 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
22 INDICATED.

23 (2) "FINANCE CHARGE" INCLUDES A DISCOUNT TAKEN ON THE FACE  
24 VALUE OF THE ACCOUNTS RECEIVABLE.

25 (3) "TOTAL PAYMENT AMOUNT" MEANS THE PURCHASE AMOUNT OF  
26 THE FACTORING TRANSACTION PLUS THE FINANCE CHARGE.

27 (B) A PROVIDER SHALL DISCLOSE THE FOLLOWING INFORMATION TO A  
28 RECIPIENT WHEN EXTENDING A SPECIFIC OFFER FOR A FACTORING TRANSACTION:

29 (1) THE AMOUNT OF THE RECEIVABLES PURCHASE PRICE PAID TO  
30 THE RECIPIENT AND, IF DIFFERENT FROM THE PURCHASE PRICE, THE  
31 DISBURSEMENT AMOUNT AFTER ANY FEES DEDUCTED OR WITHHELD AT  
32 DISBURSEMENT;

1           **(2) THE TOTAL PAYMENT AMOUNT;**

2           **(3) THE FINANCE CHARGE;**

3           **(4) THE ANNUAL PERCENTAGE RATE OF THE FACTORING**  
4 **TRANSACTION, USING THE WORDS “ANNUAL PERCENTAGE RATE” OR THE**  
5 **ABBREVIATION “APR”, CALCULATED ACCORDING TO THE FEDERAL TRUTH IN**  
6 **LENDING ACT AND REGULATION Z, 12 C.F.R. § 1026, APPENDIX J, AS A “SINGLE**  
7 **ADVANCE, SINGLE PAYMENT TRANSACTION”;**

8           **(5) A DESCRIPTION OF ANY OTHER POTENTIAL FEES AND CHARGES**  
9 **THAT CAN BE AVOIDED BY THE RECIPIENT; AND**

10           **(6) A DESCRIPTION OF THE RECEIVABLES PURCHASED AND, IF**  
11 **APPLICABLE, ANY ADDITIONAL COLLATERAL REQUIREMENTS OR SECURITY**  
12 **INTERESTS.**

13           **(c) (1) FOR PURPOSES OF THIS SUBSECTION, ANNUAL PERCENTAGE**  
14 **RATE SHALL BE CALCULATED ACCORDING TO THE FEDERAL TRUTH IN LENDING**  
15 **ACT AND REGULATION Z, 12 C.F.R. § 1026, APPENDIX J, AS A “SINGLE ADVANCE,**  
16 **SINGLE PAYMENT TRANSACTION”, REGARDLESS OF WHETHER FEDERAL LAW OR**  
17 **REGULATION WOULD REQUIRE AN ANNUAL PERCENTAGE RATE TO BE CALCULATED**  
18 **FOR A CERTAIN TRANSACTION.**

19           **(2) (i) SUBJECT TO SUBPARAGRAPH (ii) OF THIS PARAGRAPH, A**  
20 **PROVIDER SHALL USE THE FOLLOWING INFORMATION TO CALCULATE THE**  
21 **ESTIMATED ANNUAL PERCENTAGE RATE IN ACCORDANCE WITH THIS SECTION:**

22                           **1. THE PURCHASE AMOUNT IS THE FINANCING AMOUNT;**

23                           **2. THE PAYMENT AMOUNT IS THE PURCHASE AMOUNT**  
24 **MINUS THE FINANCE CHARGE; AND**

25                           **3. THE TERM OF THE FACTORING TRANSACTION IS**  
26 **DETERMINED BY THE PAYMENT DUE DATE OF THE RECEIVABLES.**

27                           **(ii) A PROVIDER MAY ESTIMATE THE TERM FOR A FACTORING**  
28 **TRANSACTION AS THE AVERAGE PAYMENT PERIOD, USING HISTORICAL DATA OVER**  
29 **A PERIOD NOT TO EXCEED THE PREVIOUS 12 MONTHS, CONCERNING PAYMENT**  
30 **INVOICES PAID BY THE PARTY OWING THE ACCOUNTS RECEIVABLE IN QUESTION.**

31 **12-1109.**

1           **(A) IN THIS SECTION, “TOTAL REPAYMENT AMOUNT” MEANS THE**  
2 **DISBURSEMENT AMOUNT OF A COMMERCIAL FINANCING TRANSACTION PLUS THE**  
3 **FINANCE CHARGE.**

4           **(B) A PROVIDER MAY EXTEND A SPECIFIC OFFER OF COMMERCIAL**  
5 **FINANCING THAT IS NOT AN OPEN-END FINANCING, A CLOSED-END FINANCING, A**  
6 **SALES-BASED FINANCING, OR A FACTORING TRANSACTION BUT OTHERWISE MEETS**  
7 **THE DEFINITION OF COMMERCIAL FINANCING UNDER THIS SUBTITLE.**

8           **(C) (1) IF A PROVIDER EXTENDS A SPECIFIC OFFER THAT IS NOT AN**  
9 **OPEN-END FINANCING, A CLOSED-END FINANCING, A SALES-BASED FINANCING, OR**  
10 **A FACTORING TRANSACTION BUT OTHERWISE MEETS THE DEFINITION OF**  
11 **COMMERCIAL FINANCING UNDER THIS SUBTITLE, THE PROVIDER SHALL DISCLOSE:**

12                   **(I) THE TOTAL AMOUNT OF THE COMMERCIAL FINANCING**  
13 **INCLUDING THE DISBURSEMENT AMOUNT, IF DIFFERENT FROM THE FINANCING**  
14 **AMOUNT, MINUS ANY FEES DEDUCTED OR WITHHELD AT DISBURSEMENT;**

15                   **(II) THE TOTAL REPAYMENT AMOUNT;**

16                   **(III) THE FINANCE CHARGE;**

17                   **(IV) THE ANNUAL PERCENTAGE RATE OF THE COMMERCIAL**  
18 **FINANCING, USING THE WORDS “ANNUAL PERCENTAGE RATE” OR THE**  
19 **ABBREVIATION “APR”, EXPRESSED AS A YEARLY RATE, INCLUSIVE OF ANY FEES**  
20 **AND FINANCE CHARGES, AND CALCULATED IN ACCORDANCE WITH THE RELEVANT**  
21 **SECTIONS OF THE FEDERAL TRUTH IN LENDING ACT, REGULATION Z, 12 C.F.R. §**  
22 **1026.22, OR THIS ARTICLE, REGARDLESS OF WHETHER FEDERAL LAW, THE**  
23 **REGULATION, OR THIS ARTICLE WOULD REQUIRE THE CALCULATION;**

24                   **(V) THE TERM OF THE COMMERCIAL FINANCING;**

25                   **(VI) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
26 **PAYMENT FREQUENCY AND AMOUNTS;**

27                   **(VII) A DESCRIPTION OF ANY OTHER POTENTIAL FEES AND**  
28 **CHARGES NOT INCLUDED IN THE FINANCE CHARGE, INCLUDING LATE PAYMENT**  
29 **FEES AND RETURNED PAYMENT FEES; AND**

30                   **(VIII) IF APPLICABLE, A DESCRIPTION OF COLLATERAL**  
31 **REQUIREMENTS OR SECURITY INTERESTS.**

32           **(2) (I) FOR PAYMENT AMOUNTS THAT ARE FIXED, A PROVIDER**  
33 **SHALL DISCLOSE:**



1                   1.     **THE PAYMENT AMOUNTS AND FREQUENCY; AND**

2                   2.     **IF THE PAYMENT FREQUENCY IS OTHER THAN**  
3 **MONTHLY, THE AMOUNT OF THE AVERAGE PROJECTED PAYMENTS PER MONTH.**

4                   **(II) FOR PAYMENT AMOUNTS THAT ARE VARIABLE, A PROVIDER**  
5 **SHALL DISCLOSE:**

6                   1.     **THE PAYMENT SCHEDULE OR A DESCRIPTION OF THE**  
7 **METHOD USED TO CALCULATE THE AMOUNTS AND FREQUENCY OF PAYMENTS; AND**

8                   2.     **THE AMOUNT OF THE AVERAGE PROJECTED**  
9 **PAYMENTS PER MONTH.**

10           **(D) (1) IF A RECIPIENT PAYS OFF OR REFINANCES THE COMMERCIAL**  
11 **FINANCING BEFORE THE END OF THE SCHEDULED REPAYMENT PERIOD, A**  
12 **PROVIDER SHALL DISCLOSE WHETHER THE RECIPIENT WOULD BE REQUIRED TO**  
13 **PAY:**

14                   **(I) ANY FINANCE CHARGES OTHER THAN THE INTEREST**  
15 **ACCRUED SINCE THE RECIPIENT'S LAST PAYMENT; AND**

16                   **(II) ANY ADDITIONAL FEES NOT INCLUDED IN THE FINANCE**  
17 **CHARGE.**

18                   **(2) IF A RECIPIENT WOULD BE REQUIRED TO PAY ADDITIONAL**  
19 **FINANCE CHARGES OTHER THAN THE INTEREST ACCRUED SINCE THE RECIPIENT'S**  
20 **LAST PAYMENT, A PROVIDER SHALL DISCLOSE THE PERCENTAGE OF ANY UNPAID**  
21 **PORTION OF THE FINANCE CHARGE AND MAXIMUM DOLLAR AMOUNT THE**  
22 **RECIPIENT COULD BE REQUIRED TO PAY.**

23 **12-1110.**

24           **(A) A PROVIDER MAY REQUIRE A RECIPIENT TO PAY OFF THE BALANCE OF**  
25 **AN EXISTING COMMERCIAL FINANCING TRANSACTION FROM THE SAME PROVIDER**  
26 **AS A CONDITION OF OBTAINING A NEW OR RENEWAL COMMERCIAL FINANCING**  
27 **TRANSACTION.**

28           **(B) IF A PROVIDER REQUIRES A RECIPIENT TO PAY OFF A COMMERCIAL**  
29 **FINANCING TRANSACTION BEFORE OBTAINING A NEW OR RENEWAL COMMERCIAL**  
30 **FINANCING TRANSACTION, THE PROVIDER SHALL DISCLOSE:**

1           **(1) THE AMOUNT OF THE NEW OR RENEWAL COMMERCIAL FINANCING**  
2 **THAT WILL BE USED TO PAY OFF THE PORTION OF THE EXISTING COMMERCIAL**  
3 **FINANCING THAT CONSISTS OF ANY REQUIRED PREPAYMENT CHARGES; AND**

4           **(2) ANY UNPAID INTEREST THAT WAS NOT FORGIVEN AT THE TIME**  
5 **THE NEW OR RENEWAL COMMERCIAL FINANCING WAS ENTERED INTO.**

6           **(C) (1) FOR FINANCING FOR WHICH THE TOTAL REPAYMENT AMOUNT IS**  
7 **CALCULATED AS A FIXED AMOUNT, THE PREPAYMENT CHARGE IS EQUAL TO THE**  
8 **ORIGINAL FINANCE CHARGE MULTIPLIED BY THE AMOUNT OF THE NEW OR**  
9 **RENEWAL COMMERCIAL FINANCING USED TO PAY OFF THE EXISTING COMMERCIAL**  
10 **FINANCING TRANSACTION AS A PERCENTAGE OF THE TOTAL REPAYMENT AMOUNT,**  
11 **MINUS ANY PORTION OF THE TOTAL REPAYMENT AMOUNT FORGIVEN BY THE**  
12 **PROVIDER AT THE TIME OF PREPAYMENT.**

13           **(2) IF THE PREPAYMENT CHARGE IS MORE THAN ZERO, THE**  
14 **PROVIDER SHALL RECORD THE AMOUNT AS THE ANSWER TO THE FOLLOWING**  
15 **QUESTION:**

16 **“DOES THE NEW OR RENEWAL COMMERCIAL FINANCING TRANSACTION INCLUDE**  
17 **ANY AMOUNT THAT IS USED TO PAY UNPAID FINANCE CHARGES OR FEES, ALSO**  
18 **KNOWN AS DOUBLE DIPPING? YES, [ENTER AMOUNT]”.**

19           **(D) IF THE DISBURSEMENT AMOUNT OF THE NEW OR RENEWAL**  
20 **COMMERCIAL FINANCING TRANSACTION WILL BE REDUCED TO PAY DOWN ANY**  
21 **UNPAID PORTION OF THE OUTSTANDING BALANCE OF THE EXISTING COMMERCIAL**  
22 **FINANCING, THE PROVIDER SHALL DISCLOSE THE ACTUAL DOLLAR AMOUNT BY**  
23 **WHICH THE DISBURSEMENT AMOUNT WILL BE REDUCED.**

24 **12-1111.**

25           **A RECIPIENT SHALL SIGN, MANUALLY OR ELECTRONICALLY, EACH**  
26 **APPLICABLE DISCLOSURE REQUIRED UNDER THIS SUBTITLE BEFORE A PROVIDER**  
27 **MAY ALLOW THE RECIPIENT TO PROCEED WITH THE COMMERCIAL FINANCING**  
28 **APPLICATION.**

29 **12-1112.**

30           **(A) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO PREVENT A**  
31 **PROVIDER FROM DISCLOSING ADDITIONAL INFORMATION TO A RECIPIENT**  
32 **REGARDING A COMMERCIAL FINANCING TRANSACTION.**

1           **(2) IF A PROVIDER PROVIDES AN ADDITIONAL DISCLOSURE TO A**  
2 **RECIPIENT OTHER THAN WHAT IS REQUIRED BY THIS SUBTITLE, THE ADDITIONAL**  
3 **DISCLOSURE IS NOT CONSIDERED A REQUIRED DISCLOSURE UNDER THIS SUBTITLE.**

4           **(B) (1) IF ADDITIONAL METRICS OF FINANCING COSTS ARE DISCLOSED**  
5 **OR USED IN THE APPLICATION PROCESS FOR COMMERCIAL FINANCING, THE**  
6 **ADDITIONAL METRICS MAY NOT BE PRESENTED AS A RATE IF THEY ARE NOT THE**  
7 **ANNUAL INTEREST RATE OR THE ANNUAL PERCENTAGE RATE.**

8           **(2) THE TERM “INTEREST”, WHEN USED TO DESCRIBE A PERCENTAGE**  
9 **RATE, MAY BE USED ONLY TO DESCRIBE ANNUAL PERCENTAGE RATES, INCLUDING**  
10 **THE ANNUAL INTEREST RATE.**

11           **(C) IF A PROVIDER STATES A RATE OF FINANCE CHARGE OR A FINANCING**  
12 **AMOUNT TO A RECIPIENT DURING THE APPLICATION PROCESS FOR COMMERCIAL**  
13 **FINANCING, THE PROVIDER SHALL ALSO STATE THE RATE AS AN “ANNUAL**  
14 **PERCENTAGE RATE”, USING THAT TERM OR THE ABBREVIATION “APR”.**

15 **12-1113.**

16           **(A) TO CARRY OUT THIS SUBTITLE, THE COMMISSIONER SHALL ADOPT**  
17 **REGULATIONS SUBSTANTIALLY THE SAME AS REGULATIONS ADOPTED BY THE NEW**  
18 **YORK STATE DEPARTMENT OF FINANCIAL SERVICES REGARDING COMMERCIAL**  
19 **FINANCING.**

20           **(B) THE COMMISSIONER SHALL APPROVE THE USE OF COMMERCIAL**  
21 **FINANCING DISCLOSURE FORMS APPROVED FOR USE IN OTHER STATES WITH**  
22 **COMMERCIAL FINANCING DISCLOSURE REQUIREMENTS THAT ARE SUBSTANTIALLY**  
23 **SIMILAR TO OR EXCEED THE REQUIREMENTS OF THIS SUBTITLE.**

24 **12-1114.**

25           **(A) (1) THE COMMISSIONER SHALL IMPOSE A CIVIL PENALTY NOT**  
26 **EXCEEDING:**

27                   **(I) \$2,000 FOR EACH VIOLATION OF THIS SUBTITLE; AND**

28                   **(II) \$10,000 FOR EACH WILLFUL VIOLATION OF THIS SUBTITLE.**

29           **(2) THE COMMISSIONER MAY ORDER ADDITIONAL RELIEF,**  
30 **INCLUDING RESTITUTION OR A PERMANENT OR PRELIMINARY INJUNCTION ON**  
31 **BEHALF OF A RECIPIENT AFFECTED BY A VIOLATION OF THIS SUBTITLE.**

1           **(B) IF A COMPLAINT ABOUT A VIOLATION OF THIS SUBTITLE IS FILED WITH**  
2 **THE COMMISSIONER, THE COMMISSIONER MAY INVESTIGATE THE COMPLAINT AND**  
3 **USE ANY OF THE INVESTIGATIVE AND ENFORCEMENT POWERS PROVIDED UNDER**  
4 **TITLE 2, SUBTITLE 1 OF THIS ARTICLE.**

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2023.