

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TENTH LEGISLATURE
4

5 **Legislative Document**

No. 1742

6
7 H. P. 1752 Office of the Clerk of the House
8 Submitted by the Department of Business Regulation pursuant to -
9 Joint Rule 24.
10 Reference to the Committee on Business Legislation suggested and
1,500 Ordered Printed.

11 EDWIN H. PERT, Clerk
12 Presented by Representative Gwadosky of Fairfield.
13

14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-TWO
18

19 **AN ACT to Clarify Variable Rate Disclosures in**
20 **the Maine Consumer Credit Code.**
21

22 Be it enacted by the People of the State of Maine as follows:

23 9-A MRSA §3-310, sub-§1, ¶H, as enacted by PL 1981,
24 c.138, is amended by adding at the end a new sentence to
25 read:

26 With respect to open-end credit transactions, the cal-
27 culatation will consist of a comparison of the finance
28 charge that the increased annual percentage rate will
29 yield on \$500 for one billing cycle with the finance
30 charge that the annual percentage rate in effect at the
31 time the agreement is executed will yield.

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Statement of Fact

The disclosure requirements for variable rate consumer credit transactions enacted last session, Public Law 1981, chapter 138, need clarification for open-end or credit card transactions. This bill gives specific guidance on the type of "worst case" disclosure required: The effect of the increased annual percentage rate on a monthly balance of \$500.