

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

1 (Governor's Bill)
2 (EMERGENCY)
3 SECOND REGULAR SESSION
4

5 ONE HUNDRED AND TENTH LEGISLATURE
6

7 **Legislative Document**

No. 1942

8
9 H. P. House of Representatives,
H. P. 1967 House of Representatives, February 9, 1982
Referred to the Committee on Business Legislation. Sent up for
concurrence and ordered printed.

10 EDWIN H. PERT, Clerk
Presented by Representative Pouliot of Lewiston.
Cosponsor: Representative Fitzgerald of Waterville.

11
12 **STATE OF MAINE**
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-TWO
16

17 **AN ACT to Conform the Effective Date of the**
18 **Maine Consumer Credit Code - Truth in Lending**
19 **(Article VIII) and Certain Other**
20 **Statutes to Federal Law.**
21

22 **Emergency preamble.** Whereas, Acts of the Legislature
23 do not become effective until 90 days after adjournment
24 unless enacted as emergencies; and

25 Whereas, Congress has extended the effective date of
26 the Truth-in-Lending Simplification and Reform Act from
27 April 1, 1982 to October 1, 1982, which conflicts with the
28 April 1, 1982 effective date of revisions to the Consumer
29 Credit Code, Title 9-A, adopted last session; and

30 Whereas, if the deadline for compliance with these
31 truth-in-lending revisions is not changed, Maine creditors
32 will lose an advantage granted to creditors nationally; and

1 Whereas, the April 1, 1982 deadline is reflected in
2 several other statutes so as to allow an efficient and
3 orderly transition in the requirements pertaining to con-
4 sumer credit agreements and forms; and

5 Whereas, it is inefficient and costly for creditors to
6 make substantial changes in their consumer credit forms and
7 agreements twice in one year; and

8 Whereas, in the judgment of the Legislature, these
9 facts create an emergency within the meaning of the Consti-
10 tution of Maine and require the following legislation as
11 immediately necessary for the preservation of the public
12 peace, health and safety; now, therefore,

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

14 **Sec. 1. 10 MRSA §1124, first ¶, as amended by PL 1981,**
15 **c. 236, §1, is further amended to read:**

16 After ~~April 1, 1982~~ October 1, 1982, every agreement
17 shall be:

18 **Sec. 2. 10 MRSA §1126, sub-§1, 2nd sentence, as**
19 **amended by PL 1981, c. 236, §2, is further amended to read:**

20 Before ~~April 1, 1982~~ October 1, 1982, within 60 days, and
21 after ~~April 1, 1982~~ October 1, 1982, within 45 days, the
22 bureau shall either certify the form as complying with the
23 requirements of section 1124, or refuse to certify the form
24 as complying, setting forth written reasons for its refusal.

25 **Sec. 3. PL 1981, c. 243, §26 is amended to read:**

26 **Sec. 26. Transition provisions.** This Act shall take
27 effect on ~~April 1, 1982~~ October 1, 1982, except that until
28 that date any creditor may comply with this Act, in accor-
29 dance with the regulations of the administrator, prior to
30 the effective date.

31 **Sec. 4. PL 1981, c. 264, §2 is amended to read:**

32 **Sec. 2. Effective date.** This Act shall apply to all
33 consumer credit transactions entered into after ~~April 1,~~
34 1982 October 1, 1982.

35 **Emergency clause.** In view of the emergency cited in
36 the preamble, this Act shall take effect when approved.

1

STATEMENT OF FACT

2 Congress recently extended the deadline for compliance
3 with substantial revisions to the Truth-in-Lending Act from
4 April 1, 1982 to October 1, 1982. Maine adopted these revi-
5 sions to our state truth-in-lending laws, the Maine Consumer
6 Credit Code, Title 9-A, Article VIII, with a mandatory
7 effective date of April 1, 1982. Unless this deadline is
8 extended, Maine creditors will lose the time advantage given
9 to creditors nationally. This bill proposes to extend the
10 compliance deadline in state law to October 1, 1982.

11 In addition, several other statutory requirements that
12 will require extensive redesign of consumer credit agree-
13 ments and forms were also linked to this April 1st deadline
14 so as to avoid frequent and costly changes in forms. This
15 bill also proposes to delay the consumer loan agreement law,
16 the so-called "plain language" law and the cosigner notice
17 required by the Consumer Credit Code, Title 9-A, section
18 3-206.

19

4727020482