MAINE STATE LEGISLATURE

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L.D. 951

(Filing No. S-48)

INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE

SENATE

123RD LEGISLATURE

FIRST REGULAR SESSION

Reported by: Majority

9   COMMITTEE AMENDMENT "*A*" to S.P. 302, L.D. 951, Bill, "An Act To
10 Amend the Laws Governing Credit Card Companies"

11   Amend the bill by striking out everything after the enacting clause and before the
12 summary and inserting the following:

13   'Sec. 1. 9-A MRSA §2-509, as amended by PL 2003, c. 263, §1, is further
14 amended to read:

15 **§2-509. Right to prepay**

16   Subject to the provisions on rebate upon prepayment, section 2-510, the consumer
17 may prepay, in full or in part, the unpaid balance of a consumer credit transaction at any
18 time without penalty, except for minimum charges as permitted by law. Notwithstanding
19 any other provision of this Title, a reasonable charge may be assessed upon a consumer
20 related to prepayment of a consumer loan made by a supervised financial organization
21 and secured by an interest in land, other than a high-rate, high-fee mortgage, as defined in
22 section 8-103, subsection 1, paragraph F-1, if the charge is reasonably calculated to offset
23 the cost of origination of the loan. The administrator shall adopt rules to implement this
24 section. Rules adopted pursuant to this section are routine technical rules as defined in
25 Title 5, chapter 375, subchapter 2-A.'

26   **SUMMARY**

27   This amendment is the majority report and replaces the bill. The amendment clarifies
28 that consumers may prepay in part the unpaid balance of a consumer credit transaction
29 without penalty.

COMMITTEE AMENDMENT