

MAINE STATE LEGISLATURE

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SEVENTY-NINTH LEGISLATURE

HOUSE

NO. 326

House of Representatives, March 4, 1919.

Referred to Committee on Legal Affairs and 500 ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Garcelon of Auburn.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND NINETEEN

AN ACT to Amend Sections Eight and Ten of Chapter Two
Hundred Ninety-eight of the Public Laws of Nineteen Hun-
dred Seventeen, Relating to Interest on Small Loans.

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

Section 1. Section eight of chapter two hundred ninety-
2 eight of the public laws of nineteen hundred seventeen is
3 hereby amended by striking out the words, "No person
4 shall owe any licensee at any time more than three hun-
5 dred dollars for principal" at the end of said section and
6 adding in place thereof the following: 'provided that on
7 original loans, licensees may charge for the first week, or
8 fraction thereof, if the loan is for five dollars or less, not
9 exceeding ten cents; if over five dollars to and including

10 ten dollars, not exceeding fifteen cents; and if over ten
11 dollars to and including twenty dollars, not exceeding
12 twenty cents; and after the first week may charge interest
13 at a rate not to exceed three and one-half per centum per
14 month. The rate of interest on renewals shall not exceed
15 three and one-half per centum per month, and if any part
16 of a loan is applied to the discharge of a previous loan,
17 such loan shall be considered a renewal,' so that said sec-
18 tion as amended shall read as follows:

'Sect. 8. Every person, co-partnership and corporation
2 licensed hereunder may loan any sum of money, goods or
3 choses in action not exceeding in amount or value the
4 sum of three hundred dollars, and may charge, contract
5 for and receive thereon interest at a rate not to exceed
6 three and one-half per centum per month, provided that
7 on original loans, licensees may charge for the first week,
8 or fraction thereof, if the loan is for five dollars or less,
9 not exceeding ten cents; if over five dollars to and includ-
10 ing ten dollars, not exceeding fifteen cents; and if over ten
11 dollars, to and including twenty-five dollars, not exceeding
12 twenty cents; and after the first week may charge interest
13 at a rate not to exceed three and one-half per centum per
14 month. The rate of interest on renewals shall not exceed
15 three and one-half per centum per month, and if any part
16 of a loan is applied to the discharge of a previous loan,
17 such loan shall be considered a renewal.'

Sect. 2. Section ten of said chapter two hundred ninety-

2 eight is hereby amended by adding at the end of the first
3 paragraph thereof the following sentence: 'The bank com-
4 missioner shall prescribe the form of said statement and
5 the style of type to be used in printing the same.' So that
6 said paragraph as amended shall read as follows:

'Sect. 10. Every licensee shall: Deliver to the borrower,
2 at the time a loan is made, a statement in the English lan-
3 guage showing in clear and distinct terms the amount and
4 date of the loan and of its maturity, the nature of the secur-
5 ity, if any, for the loan, the name and address of the bor-
6 rower and of the licensee, and the rate of interest charged.
7 Upon such statement there shall be printed in English a
8 copy of sections eight and nine of this act. The bank
9 commissioner shall prescribe the form of said statement and
10 the style of type to be used in printing the same.'