

MAINE STATE LEGISLATURE

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N I N E T Y - N I N T H L E G I S L A T U R E

Legislative Document

No. 698

H. P. 480

House of Representatives, February 12, 1959

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Winchenpaw of Friendship.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-NINE

**AN ACT Relating to Retail Installment Contract Under Motor Vehicle
Sales Finance Law.**

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

R. S., c. 59, § 257, repealed and replaced. Section 257 of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 386 of the public laws of 1957, is repealed and the following enacted in place thereof:

‘Sec. 257. Extending retail installment contract. At the request of the buyer, the holder of a retail installment contract may extend the scheduled due date of all or a part of any installment or installments and in consideration thereof may contract for and receive from the buyer a finance charge, computed on the sums extended for the period of the extension, at an effective annual rate not in excess of that charged in the original contract, plus documentary fees expended incidental to the extension and the cost of continuing over the period of the extension insurance coverage and other benefits provided in the original contract.

If the extension is made by agreement to refinance the unpaid balance of the original contract and provide a new schedule of payments, the holder may contract for and receive from the buyer in consideration thereof a finance charge, at an annual effective rate not in excess of that charged in the original contract, computed on the sum of the unpaid time balance of the original contract, plus delinquency and collection charges accrued, documentary fees expended incidental to the extension and the cost of continuing over the period of the extension insurance coverage and other benefits provided in the original contract; but after deduction of a refund credit on the original contract of not less than that to which the buyer would be entitled under section 256 had he prepaid in full,

except that the holder shall not be allowed the acquisition cost of \$25. The buyer shall be furnished a copy of such an agreement, signed by the parties thereto, containing the description and amount of each item above used in the computation of the new time balance, the new time balance and the new schedule of payments.'