

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE

ONE HUNDRED AND NINTH LEGISLATURE

FIRST REGULAR SESSION

January 3, 1979 to June 15, 1979

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED, TITLE 3, SECTION 164, SUBSECTION 6.

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Kennebec Journal  
Augusta, Maine  
1979

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Act and with the Maine Administrative Procedure Act, Title 5, chapter 375, to assist community school districts in their transition from operating under the provisions of Title 20, chapter 11 to operating under the provisions of Title 20, chapter 12.

**Emergency clause.** This Act shall become effective on July 1, 1980, with the exception of section 2, which shall become effective when approved.

Effective July 1, 1980 unless otherwise indicated

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## CHAPTER 483

H. P. 1427 — L. D. 1634

**AN ACT Requiring Certain Consumer Agreements to be Written so that they are Readable and Understandable.**

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

10 MRSA c. 202 is enacted to read:

### CHAPTER 202

#### CONSUMER LOAN AGREEMENTS

##### § 1121. Purpose

The purpose of this chapter is to enable the average consumer, who makes a reasonable effort under ordinary circumstances, to read and understand the terms of loan documents without having to obtain the assistance of a professional.

##### § 1122. Definitions

As used in this chapter unless the context clearly indicates otherwise, the following terms shall have the following meanings.

1. **Agreement.** "Agreement" means any writing which is substantially prepared in advance of a consumer loan and which a supervised lender furnishes to a consumer for the consumer to sign in connection with that loan.

2. **Amount financed.** "Amount financed" means "amount financed" as defined by Title 9-A, section 1-301, subsection 5.

3. **Consumer.** "Consumer" means an individual to whom a consumer loan is made.

4. **Consumer loan.** "Consumer loan" means a loan made to a consumer by a supervised lender for personal, family or household purposes, if the debt is payable in installments or a finance charge is made, including a loan made pursuant to a lender credit card.

5. **Supervised lender.** "Supervised lender" means "supervised lender" as defined under Title 9-A, section 1-301, subsection 39.

#### § 1123. Scope

1. **Application.** Except as provided in subsection 2, this chapter applies to any agreement signed in connection with a consumer loan entered into in this State between a consumer who is a resident of this State at the time of the loan and a supervised lender.

2. **Exclusions.** This chapter does not apply:

A. To consumer loans in which the amount financed exceeds \$100,000; and

B. To language or arrangement which is specifically required by federal or state law, regulation or official agency interpretation; or to agreements, the form or any part of which is required by any governmental instrumentality as a condition of the assignability of the agreement.

#### § 1124. Requirements for agreements

After July 4, 1981, every agreement shall be:

1. **Plain language.** Written in a clear and coherent manner using words with common and everyday meanings; and

2. **Meaningful arrangement.** Appropriately divided and captioned by its various sections.

#### § 1125. Enforcement

A supervised lender's failure to comply with the requirements of section 1124 shall constitute a violation of Title 9-A which shall be enforceable under Title 9-A, section 6-108.

#### § 1126. Certification of compliance

1. **Certification.** A supervised lender, or any trade organization or association acting on behalf of supervised lenders, may submit any proposed form of agreement to the Bureau of Consumer Protection. Before July 4, 1981, within 60 days, and after July 4, 1981, within 45 days, the bureau shall either certify the form as complying with the requirements of section 1124, or refuse to certify the form as complying, setting forth written reasons for its refusal. Failure by the bureau

to act under this section within 45 days or 60 days, as the case may be, shall be considered a certification of the form's compliance. A certification of compliance under this section shall be an absolute bar to any legal proceeding by the superintendent for failure to comply with the requirements of section 1124.

2. Fees. Any form of agreement submitted to the bureau under this section shall be accompanied by a fee of \$25. The period within which the bureau must act under this section shall commence upon receipt of the fee. The fees received under this section are to be used by the superintendent for the purposes of this chapter. The balance of any fees so received shall not lapse.

Effective September 14, 1979

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## CHAPTER 484

S. P. 429 — L. D. 1377

### AN ACT to Amend the Unit Ownership Act.

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

Whereas, most people are unfamiliar with the novel form of property ownership known as the "time-share estate" and it is being sold and offered for sale in increasing numbers in this and other states; and

Whereas, many prospective purchasers of time-share estates are in great danger of being seriously misled about the nature of their potential ownership interest unless they are first given the disclosures required by this Act; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

33 MRSA § 588 is enacted to read:

#### § 588. Time shares

1. Definition. For the purposes of this section, "time-share estate" means any interest in a unit under which the exclusive right of use, possession or occupancy of the unit circulates among the various time-share owners in the unit