

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND ELEVENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
Business Legislation

BILL SUMMARY



JULY, 1983

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(CONSUMER CREDIT, continued)

<u>LD</u>	<u>TITLE</u>	<u>SPONSOR</u>	<u>DISPOSITION</u>
225	AN ACT TO AMEND THE MORTGAGE EXEMPTION IN THE ME CONSUMER CREDIT CODE	SEWALL	ONTP

SUMMARY: Exempts certain junior mortgages from regulation under the Code, namely, those acceptable for sale on the secondary market; home improvement, educational or retirement loans; and loans made by the holder of the first mortgage.

431	AN ACT RELATING TO ADDITIONAL CHARGES IN CONNECTION WITH CONSUMER CREDIT TRANSACTIONS	SEWALL	LV/WD
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SUMMARY: Allows credit card issuers to assess a charge of up to \$10 when a check in payment on the account is returned unpaid.

560	AN ACT TO AMEND THE CONSUMER CREDIT CODE REGARDING THE INTEREST RATE WHICH CAN BE CHARGED ON MOBILE HOME LOANS (EMERGENCY)	CONARY TWITCHELL	LV/WD (See 1121)
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SUMMARY: Removes the usury ceiling on loans for mobile homes unsecured by an interest in land.

CROSS REFERENCES: LD 217 (ND: LD 1121).

656	AN ACT TO AMEND THE MAINE CONSUMER CREDIT CODE	(DBR Bill) CLARK, N WEYMOUTH TUTTLE LAPLANTE	(OTPA) PL 1983, c.212
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SUMMARY: Exempts refinancing of home mortgages from the Code; excludes licensed insurance premium finance companies from Code license requirements; increases lender bonding requirements; prohibits variable rate loan rates from being based on rates established by "any" creditor; expands the exemptions from variable rate disclosures to notes secured by passbook savings or certificate of deposit accounts; provides immunity from suit for a creditor complying with an advisory ruling; removes the necessity for the Superintendent to go to Superior Court to enforce an order; allows the Attorney General to combine claims for injunction and civil penalty; repeals provision for declaratory judgment proceeding on an advisory ruling; adopts APA standard of evidence in Bureau proceedings.

COMMITTEE AMENDMENT "A" (S-34): Strikes out Sec. 6, which would prohibit variable rate loans from tying to "any creditor"; substitutes provision from LD 188 reducing notice requirement in open-end credit accounts from 3 times and 90 days to 1 time, 30 days. (ADOPTED)

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" (H-114): Corrects Committee "A" to change two related time periods to correspond to 30-day period. (Brannigan) (ADOPTED)