

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 1019

S. P. 353

In Senate, February 5, 1963

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

CHESTER T. WINSLOW, Secretary

Presented by Senator Campbell of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

AN ACT Amending Certain Statutes Relating to Licensed Small Loan Agencies.

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

Sec. 1. R. S., c. 59, § 1-E, sub-§ II, ¶ E, additional. Subsection II of section 1-E of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 385 of the public laws of 1961, is amended by adding a new paragraph E, to read as follows:

'E. An advisory committee made up of licensed small loan agency officials or directors or both, chosen by the Maine Consumer Finance Association.'

Sec. 2. R. S., c. 59, § 214, amended. Section 214 of chapter 59 of the Revised Statutes is amended by adding a new paragraph, to read as follows:

'The Bank Commissioner is authorized and empowered to make such general rules and regulations, and such specific rulings, demands and findings as may be necessary for the proper conduct of the business authorized and licensed under and for the enforcement of sections 210 to 227 in addition hereto and not inconsistent herewith. Regulations shall be made in the manner prescribed in section 1-H, subsection IV.'

Sec. 3. R. S., c. 59, § 218, amended. The first sentence of section 218 of chapter 59 of the Revised Statutes is amended to read as follows:

'Interest, consideration or charges for the use of money payable under the provisions of sections 210 to 227 shall not be payable deducted or received in advance or compounded and shall be computed on unpaid principal balances.'

Sec. 4. R. S., c. 59, § 218, amended. Section 218 of chapter 59 of the Revised

Statutes is amended by adding after the first sentence a new sentence to read as follows:

'Such interest, consideration or charges shall not be compounded; provided that, if part or all of the principal amount of any loan contract is the unpaid principal balance of a prior loan, the unpaid interest, consideration or charges for the use of money on such prior loan which have accrued within 60 days before the making of such loan contract may be incorporated as interest bearing principal in the principal amount of such loan contract, and for the purposes of this paragraph any such new loan shall be deemed a separate loan transaction.'

Sec. 5. R. S., c. 59, § 224, repealed and replaced. Section 224 of chapter 59 of the Revised Statutes is repealed and the following enacted in place thereof:

'Sec. 224. Loans made in the State in violation of sections 210 to 227, wherever made, not enforceable in this State. No loan of the amount of \$2,500 or less, for which a greater rate of interest, consideration or charges than is permitted by sections 210 to 227, has been charged, contracted for, or received, wherever made, shall be enforced in this State. Every person in anywise participating therein in this State shall be subject to sections 210 to 227. The foregoing shall not apply to loans legally made in any state to a person who is at that time a resident of that state, which has in effect a regulatory small loan law similar in principle to sections 210 to 227.'