

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 681

H. P. 468

House of Representatives, February 8, 1967

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Jalbert of Lewiston.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Revising Laws Relating to Licensed Small Loan Agencies.

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

Sec. 1. R. S., T. 9, § 3003, amended. The last sentence of section 3003 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

If a licensee wishes to change the location of his place of business, he shall at once give written notice thereof and return his license to the commissioner, who may amend the license and return it to the licensee or he may refuse to amend the license because public convenience and advantage of the community in which the business is to be conducted will not be thereby promoted.

Sec. 2. R. S., T. 9, § 3042, amended. The first sentence of the 4th paragraph of section 3042 of Title 9 of the Revised Statutes, as repealed and replaced by chapter 209 of the public laws of 1965, is amended to read as follows:

Each license shall remain in full force and effect until it is surrendered, **suspended**, revoked or has expired.

Sec. 3. R. S., T. 9, § 3043, repealed and replaced. Section 3043 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 3043. Revocation or suspension of license

Upon receiving evidence of a violation of any of the provisions of chapters 281 to 289 by a licensee, the commissioner, after notice and hearing thereon, may suspend or revoke a license. The commissioner shall give the licensee at least 10 days' written notice of the time and place of such hearing by registered mail addressed to the place of business of the licensee. The notice shall contain the

grounds of complaint against the licensee. Any order suspending or revoking such license shall recite the grounds upon which the same is based. The order shall be entered upon the records of the commissioner and shall be effective at a date stated in the commissioner's decree but not less than 10 days after such decree is forwarded by registered mail to the licensee at his place of business. Any appeal from such order may be taken in accordance with section 7. No revocation, suspension or surrender of any license shall impair or affect the obligation of any preexisting lawful loan contract. The suspension or revocation of a license shall include the suspension or revocation of the privilege to make loans subject to chapters 281 to 289. If the commissioner should find a violation of sections 3081 or 3082, he shall so notify the lender and the borrower of his findings.

Sec. 4. R. S., T. 9, § 3082, amended. The last 2 sentences of section 3082 of Title 9 of the Revised Statutes are amended to read as follows:

In addition to the interest provided for, no further or other charge or amount whatsoever for any examination, service, brokerage, commission or other thing, or otherwise, shall be directly or indirectly charged, contracted for or received, except insurance premiums at rates as approved by the Insurance Commissioner and any gain or return to the licensee therefrom, and lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing or recording in any public office any instrument securing the loan, which fees may be collected when the loan is made, or at any time thereafter. If interest or charges in excess of those permitted by this section and section 3081, including insurance premiums and filing fees, shall be charged, contracted for or received, the contract of loan shall be void and the licensee shall have no right to collect or receive any principal, interest or charges whatsoever. Upon complaint to the proper District Court by a borrower, and upon a finding that interest or charges in excess of those permitted by this section and section 3081 have been charged, contracted for or received, the licensee shall forfeit to the borrower the amount of all payments made as principal and interest payments, and he shall mark and return the note and other papers as provided in section 3083, subsection 3. Reasonable attorneys' fees and costs shall be awarded to the borrower if he is the prevailing party in such action.

Sec. 5. R. S., T. 9, § 3083, sub-§ 3, repealed and replaced. Subsection 3 of section 3083 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

3. Payment of loan in full. Upon payment of a loan in full by cash, renewal or a new loan, mark plainly every note signed by the borrower with the words "Paid in Full" or "Cancelled" and return to the borrower, and restore any pledge, cancel any assignment and release or provide the borrower evidence to release any mortgage or security instrument no longer securing any indebtedness to the licensee.

Sec. 6. R. S., T. 9, § 3121, amended. The first paragraph of section 3121 of Title 9 of the Revised Statutes is amended to read as follows:

The commissioner for the purpose of discovering violations of any of the provisions of chapters 281 to 289, as he deems necessary, may either personally,

or by any person designated by him, at any time and as often as he may desire, ~~investigate~~ **examine** the loans and business of every licensee thereunder and of every person, copartnership and corporation by whom or by which any such loan shall be made, whether such person, copartnership or corporation shall act, or claim to act, as principal, agent or broker, or under, or without the authority of chapters 281 to 289. ~~For that purpose he~~ **He** shall have free access to the books, papers, records and vaults of all such persons, copartnerships and corporations. He shall have authority to examine, under oath, all persons whose testimony he may require relative to such loans or business.