

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1019

S. P. 382

In Senate, February 22, 1967

Taken from table on motion by the President and on further motion by Senator Good of Cumberland reference reconsidered. Subsequently referred to Committee on Judiciary. Sent down for concurrence and ordered printed.

JERROLD B. SPEERS, Secretary

Presented by Senator Mills of Franklin.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Revising Revocation and Suspension Powers of Bank Commissioner, Restricting Conduct of Other Businesses by Small Loan Agencies and Relating to Reasonable Attorneys' Fees.

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

Sec. 1. R. S., T. 9, § 3003, amended. Section 3003 of Title 9 of the Revised Statutes is amended by adding at the end thereof, the following sentence:

No licensee shall conduct the business of making loans under chapters 281 to 289 within any office, room or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith.

Sec. 2. R. S., T. 9, § 3043, repealed and replaced. Section 3043 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof: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 and suspension

1. Revocation. The commissioner shall, upon 10 days' notice to the licensee stating the contemplated action and in general the grounds therefor, and upon reasonable opportunity to be heard, revoke any license issued hereunder if he shall find that:

A. The licensee has failed to pay the annual license fee or to maintain in effect the bond or bonds required under section 3042 or to comply with any demand, ruling, or requirement of the commissioner lawfully made pursuant to and within the authority of chapters 281 to 289.

B. The licensee has violated any provision of chapters 281 to 289 or any rule or regulation lawfully made by the commissioner under and within the authority of chapters 281 to 289; or that

C. Any fact or condition exists which, if it had existed at the time of the original application for such license, clearly would have warranted the commissioner in refusing originally to issue such license.

2. Suspension. The commissioner may, without notice or hearing, suspend any license for a period not exceeding 30 days, pending investigation.

3. Application. The commissioner may revoke or suspend only the particular license with respect to which grounds for revocation or suspension may occur or exist, or, if he shall find that such grounds for revocation or suspension are of general application to all offices, or to more than one office, operated by such licensee, he shall revoke or suspend all of the licenses issued to said licensee or such licenses as such grounds apply to, as the case may be.

4. Lawful contract not impaired. No revocation or suspension or surrender of any license shall impair or affect the obligation of any preexisting lawful contract between the licensee and any borrower.

Sec. 3. 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. Repayment, renewal or disallowance of loan. Upon repayment of the loan in full, renewal or disallowance, mark indelibly every paper signed by the borrower with the word "paid" or "cancelled" and return any note executed by the borrower.

Sec. 4. R. S., T. 9, § 3084, repealed and replaced. Section 3084 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 3084. Restrictions on security

No licensee shall take a security interest in any real or personal property as security for any loan made under chapters 281 to 289, nor any assignment or pledge of any chattels.

Sec. 5. R. S., T. 9, § 3085, repealed. Section 3085 of Title 9 of the Revised Statutes is repealed as follows:

§ 3085. Assignments of wages

No assignment of any salary or wages, earned or to be earned, given to secure a loan made under chapters 281 to 289 shall be valid unless in writing signed in person by the borrower; nor, if the borrower is married, unless it shall be signed in person by both husband and wife; nor shall such assignment be valid unless given to secure a debt contracted simultaneously with its execution. All such assignments shall be subject to Title 26, section 627.

Sec. 6. R. S., T. 9, § 3087, additional. Title 9 of the Revised Statutes is amended by adding a new section 3087, to read as follows:

§ 3087. Attorneys' fees to borrower

In any case in which it is found that any person, copartnership, corporation or licensee has violated any provisions of chapters 281 to 289, the court shall award reasonable attorneys' fees incurred by the borrower.