

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
103rd LEGISLATURE

2nd SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1316, L.D. 1859, Bill, "An Act to Clarify the Law Relating to Truth-in-Lending and Disclosure of Interest and Finance Charges in Retail Sales."

Amend said Bill by inserting before the enacting clause the following:

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

Whereas, the laws relating to truth-in-lending and disclosure of interest and finance charges in retail sales have resulted in confusion and misunderstanding by those who daily conduct business under said laws; and

Whereas, the following legislation is vitally necessary in order to prevent undue hardship on the people of the State of Maine; 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, '

Further amend said Bill by striking out in the last line of section 1 (same in L.D. 1859) the underlined word and figure "subsection 17" and inserting in place thereof the underlined word and figure 'subsection 19'

Further amend said Bill by striking out in the last line of section 4 (same in L.D. 1859) the underlined word and figure "subsection 17" and inserting in place thereof the underlined word and figure 'subsection 19'

Further amend said Bill in section 8 by inserting after the underlined word "extended" in the 7th line from the end (6th line of L.D. 1859) the following:

(Over)

(Filing No. H-524)

'service charges in a construction mortgage credit secured by a real estate mortgage'

Further amend said Bill by striking out all of section 10 and inserting in place thereof the following:

'Sec. 10. R.S., T. 9, §3805, sub-§3, amended. The first paragraph of subsection 3 of section 3805 of Title 9 of the Revised Statutes, as enacted by chapter 472 of the public laws of 1967, is amended to read as follows:

When a deferment or extension charge is made in a closed end credit transaction in which the due date of all or part of one or more installments is deferred or extended or in which the unpaid installments are restated or rescheduled to reduce or re-arrange the installment payments, the creditor shall give the debtor the following information at or before the time the extension or deferment is made:'

Further amend said Bill by inserting after section 11 the following:

'Sec. 11-A. R.S., T. 9, §3807, amended. Section 3807 of Title 9 of the Revised Statutes, as enacted by chapter 472 of the public laws of 1967, is amended by adding at the end the following new sentence:

In any credit transaction in which part of the finance charge is determined by the periodic application of a rate of finance charge to outstanding balances of the credit and the remainder of the finance charge is precomputed, the percentage required to be disclosed by this section or by section 3805, subsection 1, paragraph G may be computed by adding to the rate of finance charge applied to outstanding balances of the credit the percentage that the precomputed portion of the finance charge bears to the principal balance computed in accordance with the annual finance charge formula, or an annual rate formula approved by the commissioner upon application of a creditor.

Sec. 11-B. R.S., T. 9, §3810, sub-1, amended. The first sentence of subsection 1 of section 3810 of Title 9 of the Revised Statutes, as enacted by chapter 472 of the public laws of 1967, is amended to read as follows:

(con't)

(Filing No. H-524)

Any creditor who in connection with any transaction subject to this chapter fails to disclose to any person any information in violation of this chapter or any regulation issued thereunder shall be liable to such person in the amount of \$50, or in an amount equal to twice the finance charge required by such creditor in connection with such transaction, whichever is greater, except that such liability shall not exceed \$1,000 on any transaction and provided that no creditor shall be in violation of any provision of this chapter on or before May 1, 1968 and that no action shall be brought for any alleged violation occurring on or before such date.'

Further amend said Bill by inserting after section 18 the following:

'Sec. 18-A. R.S., T. 9, §3857, sub-§1, amended. The first sentence of subsection 1 of section 3857 of Title 9 of the Revised Statutes, as enacted by chapter 471 of the public laws of 1967, is amended to read as follows:

Any seller who in connection with any transaction subject to this chapter fails to disclose to any person any information in violation of this chapter or any regulation issued thereunder shall be liable to such person in the amount of \$50, or in an amount equal to twice the finance charge required by such seller in connection with such transaction, whichever is greater, except that such liability shall not exceed \$1,000 on any transaction and provided that no seller shall be in violation of any provision of this chapter on or before May 1, 1968 and that no action shall be brought for any alleged violation occurring on or before such date.'

Further amend said Bill by striking out all of section 21.

Further amend said Bill by renumbering sections to read consecutively.

Further amend said Bill by adding at the end the following:

'Emergency clause. In view of the emergency cited in the preamble, sections 1, 2, 3, 4, 5 and 6 of this Act shall become effective May 2, 1968. All other sections shall become effective when approved.'

Reported by the Committee on Business Legislation.

Reproduced and distributed under the direction of the Clerk of the House.

(Filing No. H-524)

1/18/68