

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
105TH LEGISLATURE

COMMITTEE AMENDMENT " A " to H.P. 552, L.D. 728, Bill,
"AN ACT Revising the Laws Relating to Licensed Small Loan Agencies."

Amend said Bill in the 10th and 11th lines (8th and 9th in L.D.) after the amending clause in that part designated "Sec. 1." by striking out the underlined words "from the date of making any loan contract"

Further amend said Bill in section 2 by striking out all of subsection 4 of that part designated "§3085" and inserting in place thereof the following:

4. Evasion of maturity limitation prohibited. No licensee under chapters 281 to 289 shall rewrite any contract of loan under said chapters where the principal of the new loan contract does not exceed the unpaid balance of the prior loan contract made by the same licensee to the same borrower. Notwithstanding the foregoing, if the court finds that said licensee rewrote said contract for the purpose of evading the effect of section 3081, the court may refuse to enforce all or part of the loan contract.

Further amend said Bill in section 2 by striking out all of subsection 8 of that part designated "§3085." and inserting in place thereof the following:

8. Payments for referrals prohibited. No licensee

(Filing No. H-86)

shall pay any merchant for the referral of loan accounts.

Further amend said Bill in the 2nd line of subsection 9 (same in L.D.) of that part designated "§3085." by inserting after the underlined word "licensee" the following 'in trustee process'

Further amend said Bill in that part designated "§3085." by striking out all of subsection 12

Statement of Fact

This amendment strikes out section 12 and rewords section 4 to prohibit rewriting a loan for balance only, and to prohibit any rewrite executed for the purpose of evading the 36-month restriction.

Reported by the Committee on Business Legislation.

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

3/31/71

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