

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SEVENTH LEGISLATURE

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**Legislative Document**

**No. 750**

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H. P. 607

House of Representatives, February 21, 1975

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

EDWIN H. PERT, Clerk

Presented by Mrs. Clark of Freeport.

Cosponsor: Mr. Higgins of Scarborough.

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## STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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**AN ACT Concerning Annual Notification Fees under the Consumer Credit Code, Concerning a Lender Collecting and Enforcing Loans without a License, and Requiring the Payment of Certain Investigation Fees to the Superintendent of the Bureau of Consumer Protection.**

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

**Sec. 1.** 9-A MRSA § 2-301, sub-§ 2, as enacted by PL 1973, c. 762, § 1, is amended to read:

2. Taking assignments of and undertaking direct collection of payments from or enforcement of rights against debtors arising from supervised loans ~~but he may collect and enforce for 3 months without a license, if he promptly applies for a license and his application has not been denied.~~

**Sec. 2.** 9-A MRSA § 2-302, sub-§ 2, ¶ C is enacted to read:

**C.** Each applicant shall pay to the administrator an investigation fee to cover all necessary and reasonable costs incurred by the administrator in making a determination that the applicant has fulfilled all of the requirements as set forth in this subsection.

**Sec. 3.** 9-A MRSA § 6-203, sub-§ 1, as enacted by PL 1973, c. 762, § 1, is amended to read:

1. A person required to file notification shall at the time he files such notification pay to the administrator an annual fee of \$10 for that year and an annual fee of \$5 for each branch thereof.

## STATEMENT OF FACT

**Sec. 1.** This section will eliminate a weakness in the code from an administrative standpoint. Presently, a lender could potentially make loans without a license until such time as he is discovered and could then attempt to collect and enforce such loans for 3 months without a license if he promptly applies for a license and his application has not been denied.

**Sec. 2.** This section will permit the Administrator to recoup actual expenses incurred for the investigation of the principals of a loan company applicant. These investigations on occasion require extensive and costly background searches of the principals who may reside out of the State or country.

**Sec. 3.** The code requires that a parent company shall pay a \$10 annual notification fee to the administrator without regard to the number of branches it may have in this State. Numerous credit grantors that have filed notification with the bureau have a number of branch outlets in this State for which no annual notification fees can be assessed. The \$10 annual notification fees in these situations do not provide an adequate reimbursement to the bureau for the extra time allocated for the processing of the branch applications and the issuance of certificates to the branches.