

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SEVENTH LEGISLATURE

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**Legislative Document**

**No. 1288**

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S. P. 403

In Senate, March 25, 1975

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Katz of Kennebec.

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## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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### AN ACT Relating to Student Loans under the Maine Consumer Credit Code.

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

**9-A MRSA § 1-202, sub-§ 7**, as enacted by PL 1973, c. 762, § 1, is amended to read:

7. A loan made by supervised financial organizations when the loan is secured by a first mortgage on real estate and the security interest in real estate is not made for the purpose of circumventing or evading this Act or the loan is a ~~federally insured student loan pursuant to Title 20 U.S.C.A. Chapter 28, sub chapter IV, part B~~ low interest educational loan made for the purpose of financing expenses related to the borrower's attendance at an institution of post-secondary education, and on which the finance charge does not exceed  $7\frac{1}{2}\%$  per year on the unpaid balances of the amount financed, and which are insured, guaranteed or subsidized by the Federal Government or a State or by a nonprofit private loan guaranty organization.

#### STATEMENT OF FACT

The purpose of this bill is to correctly state the present manner in which Federal and State student loan programs operate.