

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
107TH LEGISLATURE

(Filing No. H-512)

COMMITTEE AMENDMENT " A" to H.P. 1350, L.D. 1654, Bill,  
"AN ACT Relating to the Rebate of Unearned Finance Charges  
under the Maine Consumer Credit Code."

Amend said Bill by inserting at the beginning of the first  
line after the enacting clause the following: 'Sec. 1.'

Further amend said Bill in that part designated "\$2-510."  
by striking out all of subsection 2 and inserting in place thereof  
the following:

'2. Upon prepayment in full, but not upon a refinancing,  
section 2-504, of a consumer credit transaction, whether or not  
precomputed, other than one pursuant to open-end credit, the  
creditor may collect or retain a minimum charge as permitted by  
section 2-201, subsection 6, and section 2-401, subsection 7, if  
the minimum charge was contracted for and the finance charge at  
the time of prepayment is less than the minimum charge contracted  
for.'

Further amend said Bill in that part designated "\$2-510."  
by striking out in the 6th line of subsection 9 (5th line of L.D.)  
the underlined words and figure "10 business" and inserting in  
place thereof the figure '14'

Further amend said Bill by inserting at the end before the  
Statement of Fact the following:

'Sec. 2. Effective date. Those portions of the provisions  
of this Act which prohibit the use of the sum of the balances  
method, as defined in section 2-510, subsection 4, paragraph B,

and as prohibited in section 2-510, subsection 5, paragraph A, in computing the unearned portion of the finance charge on transactions payable in more than 48 instalments shall take effect on July 1, 1976, except where there has been a deferral other than a standard deferral.'

Statement of Fact

The purpose of this amendment is to clarify the language and references of the bill and to establish an effective date of July 1, 1976, for the change-over from the Rule of 78's to the sum of the balances method.

Reported by the Committee on Business Legislation.

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

5/29/75

(Filing No. H-512)