

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 403

H. P. 312

House of Representatives, February 10, 1977

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

EDWIN H. PERT, Clerk

Presented by Mrs. Boudreau of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Relating to a Consumer's Notice of Right to Cure under the
Credit Code.

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

Sec. 1. 9-A MRSA § 1-301, sub-§ 20, as enacted by PL 1973, c. 762, § 1, is amended by adding at the end the following new sentence:

For purposes of sections 5-110 and 5-111, goods that are collateral shall include any right of set-off that the creditor may have.

Sec. 2. 9-A MRSA § 5-110, sub-§ 1, as repealed and replaced by PL 1975, c. 429, § 2, is amended by adding after the first sentence, the following new sentence:

For purposes of this section, goods that are collateral shall include any right of set-off that the creditor may have.

Sec. 3. 9-A MRSA § 5-111, sub-§ 1, as repealed and replaced by PL 1975, c. 429, § 2, is amended by adding after the first sentence, the following new sentence:

For purposes of this section, goods that are collateral shall include any right of set-off that the creditor may have.

STATEMENT OF FACT

The purpose of this bill is as follows:

As enacted, the Maine Consumer Credit Code required creditors to provide consumers with a "Notice of Right to Cure" prior to seizing funds from

the consumer's checking or savings account to liquidate a defaulted loan account. Following amendments to sections 5-110 and 5-111 of the credit code, the consumer lost his right to receive a notice prior to set-off. Enactment of this bill will restore the consumer's rights and will also curb abuses in this area.