

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 1373**

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H. P. 1139

House of Representatives, March 30, 1977

On Motion of Ms. Clark of Freeport referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Boudreau of Portland.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT Relating to Bank Credit Cards 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 § 2-402, sub-§ 4 is enacted to read:

4. **A creditor may contract for and receive a finance charge not to exceed  $1\frac{3}{4}\%$  of the amount pursuant to subsection 2 on any account where a finance charge is imposed upon a purchase either in the billing cycle during which the purchase was made or the billing cycle immediately thereafter where the consumer pays the amount arising from the purchase before the end of the billing cycle immediately following the billing cycle in which the purchase was made.**

STATEMENT OF FACT

At the time the Maine Consumer Credit Code was enacted and creditors were allowed to charge 18% per year on credit cards, the 2 major bank credit cards utilized in Maine permitted Maine consumers a "grace period" for purchases prior to the imposition of a finance charge. Both of these bank credit cards are in the process of eliminating this grace period. This action is a substantial departure from the practice at the time of enactment of the Maine Consumer Credit Code.

This bill would drop the interest rate to 15% per year on bank credit cards where the creditor did not permit the grace period.