

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 432

H. P. 333

House of Representatives, February 8, 1979

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

EDWIN H. PERT, Clerk

Presented by Mr. Howe of South Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Concerning Notice of Right to Cure Defaults under the Consumer Credit Code.

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

9-A MRSA § 5-110, sub-§ 1, last sentence, as repealed as replaced by PL 1975, c. 429, § 2, is repealed and the following enacted in its place:

A creditor gives notice to the consumer under this section when:

A. He delivers the notice to the consumer; or

B. He mails the notice by certified mail, return receipt requested, and the consumer either signs the receipt for the notice or, if the postal service is unable to deliver the notice, when it returns the notice to the creditor. For the purposes of this paragraph, the time of notice shall be fixed at either the date the consumer signs the receipt or, in the case in which the post office is unable to deliver the notice, at the date of the last attempt by the post office to make delivery.

STATEMENT OF FACT

This bill concerns notice of right to cure under the Consumer Credit Code. The Consumer Credit Code provides that, after a creditor notifies a consumer he is in arrears on a loan, the consumer has 20 days to cure his default or be liable to repossession. This bill will measure the beginning of that 20 days either from the time the creditor delivers the notice in person or from the time the consumer signs a receipt for the notice sent to him by certified mail. If the notice is returned to the creditor as undeliverable, the 20 days begins at the time of the last attempt to deliver to the consumer.

Present law states that once a creditor puts notice in the mail the consumer's 20 days begin. In one case, the post office did not get notice to the consumer until 16 days after the creditor mailed the notice. The consumer therefore had only 4 days, instead of 20 days, to make up for his missed loan payment or suffer repossession. This bill will solve this problem.