

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-869)
109TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to
H.P. 1687, L.D. 1795, Bill, "AN ACT to Increase Interest
Rates on Judgment Debts."

Amend the amendment by striking out in the last line
of section 1 the following: "~~10%~~ 12%" and inserting in its
place the following: '~~10%~~ 18%'

Statement of Fact

The purpose of this amendment is to ensure that the
law does not encourage persons to withhold payment of
legitimate debts in order to take advantage of current eco-
nomic conditions. Unless the interest penalty for post-
judgment debts is at least as high as the prevailing in-
terest rates, some persons will be encouraged to withhold
payment of their debts. With the prime interest rate at
approximately 18%, an interest penalty of 18% on post-judgment
debts is the minimum rate necessary to accomplish the goal
of the legislation.

Filed by Mr. Howe of South Portland
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3/10/80 (Filing No. H-869)