

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 6

H. P. 12

Office of the Clerk of the House

Submitted by the Department of Business Regulation pursuant to Joint Rule  
24.

EDWIN H. PERT, Clerk

Presented by Mr. Brenerman of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

**AN ACT to Overrule Federal Preemption of Certain Maximum Rate Ceilings of  
the Maine Consumer Credit Code.**

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

9-A MRSA § 1-110 is enacted to read:

§ 1-110. Relationship to federal law

Notwithstanding the provisions of Sections 501 and 521 of the United States Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, the Legislature declares that the maximum finance charges established in article II shall apply to:

1. Mobile home consumer credit transactions as defined in section 1-202, subsection 8;
2. Consumer loans entered into by state-chartered supervised financial organizations as defined in section 1-301, subsection 38; and
3. First lien mortgages on real estate granted by a creditor subject to licensing by the administrator as set out in section 2-301.

STATEMENT OF FACT

The Depository Institutions Deregulation and Monetary Control Act of 1980 preempted maximum interest rates effective in Maine in 2 areas: First lien

mobile home loans and credit sales, no ceiling substituted, and consumer loans of any type made by state-chartered and insured financial institutions, ceiling of 1% over the federal discount rate established. These federal preemptions took place because a few states had unrealistically low rate ceilings established by statute or State Constitution. The federal law provides that any state may reject the federal preemption during a 3-year period ending April 1, 1983. Maine's maximum rate of 18%, or more for small loans, for mobile homes and other consumer loans will be reestablished by the bill.