

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
110TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 172, L.D. 422, Bill,
"AN ACT to Amend the Maine Consumer Credit Code."

Amend the Bill by inserting before the enacting clause
the following:

'Emergency preamble. Whereas, Acts of the Legislature
do not become effective until 90 days after adjournment unless
enacted as emergencies; and

Whereas, the maximum interest rate on consumer credit
sales of new motor vehicles will revert from 18% to 13%
on June 1, 1981; and

Whereas, a maximum interest rate of 13% would be highly
detrimental to sellers and consumers alike because it would,
in view of current economic conditions, severely restrict the
ready availability of credit for new motor vehicle purchases; and

Whereas, in the judgment of the Legislature, these
facts create an emergency within the meaning of the Consti-
tution of Maine and require the following legislation as
immediately necessary for the preservation of the public
peace, health and safety; now, therefore,'

Further amend the Bill by striking out everything after
the enacting clause and inserting in its place the following:

Sec. 1.

19-A MRSA §2-201, sub-§9, ¶A, as repealed and replaced
by PL 1979, c. 661, §1, is amended to read:

A. On any new motor vehicle designated by the manufac-
turer by a year model not earlier than the year in
which the sale is made, ~~19%~~ 18% per year on the unpaid

balances of the amount financed;

Sec. 2. 9-A MRSA §2-502, sub-§1, as enacted by PL 1973, c. 762, §1, is amended to read:

1. With respect to a precomputed consumer credit transaction and a consumer lease, the parties may contract for a delinquency charge on any instalment not paid in full within 15 days after its scheduled or deferred due date in an amount not exceeding the greater of:

Sec. 3. 9-A MRSA §3-202, as enacted by PL 1973, c. 762, §1, is amended to read:

§3-202. Notice to consumer

A written agreement which requires or provides for the signature of the consumer and which evidences a consumer credit transaction other than one pursuant to open-end credit shall contain a clear, conspicuous and printed notice to the consumer that he should not sign the agreement before reading it, and that he is entitled to a copy of the agreement ~~and to prepay the unpaid balance at any time without penalty, except for minimum charges as permitted by law~~. The following notice, if clearly and conspicuously printed, complies with this section:

NOTICE TO CONSUMER: 1. Do not sign this agreement before you read it. 2. You are entitled to a copy of this agreement. ~~3. You may prepay the unpaid balance at any time without penalty, except for minimum charges as permitted by law.~~

COMMITTEE AMENDMENT "A" to S.P. 172, L.D.422

Pg. 3

Sec. 4. 9-A MRSA §3-402, as enacted by PL 1973, c. 762, §1, is amended to read:

§3-402. Limitation on default charges

Except for reasonable expenses incurred in realizing on a security interest, other than a consumer lease, the agreement with respect to a consumer credit transaction may not provide for any charges as a result of default by the consumer other than those authorized by this Act. A provision in violation of this section is unenforceable.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect on June 1, 1981.'

Statement of Fact

The purpose of this amendment is to maintain the maximum interest rate on credit sales of new cars at 18% and to add an emergency enactor, and to exempt consumer leases from certain provisions concerning default and delinquency charges.

Reported by the Committee on Business Legislation.

Reproduced and distributed pursuant to Senate Rule 11-A.

May 5, 1981

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