MAINE STATE LEGISLATURE

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	(EMERGENCY)
FIRST	r regular session
ONE HUNDRED A	AND ELEVENTH LEGISLATURE
Legislative Document	No. 560
H.P. 458	House of Representatives, February 7, 1983
Referred to the Committe concurrence and ordered print	e on Business Legislation, sent up for ed.
	EDWIN H. PERT, Clerk
Presented by Representative C Cosponsor: Senator Twite	
sı	TATE OF MAINE
	E YEAR OF OUR LORD UNDRED AND EIGHTY-THREE
Code Regarding t	mend the Consumer Credit the Interest Rate which can on Mobile Home Loans.
lature do not beco	de. Whereas, Acts of the Legis- ome effective until 90 days after nacted as emergencies; and
interest chargeable mobile homes was modi mum rate became tied	regarding the maximum rate of on consumer loans to finance ified last year so that the maxito mortgage rates of the Federal on and the Veterans' Administra-
	ffect of this change has been to any form of mobile home dealer

1 Whereas, it is now more difficult for certain 2 Maine consumers to obtain loans for purchasing mobile 3 homes; and

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

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

Sec. 2. 9-A MRSA §2-203 is enacted to read:

Notwithstanding other provisions of this Code, the maximum interest rate which may be charged on consumer loans for the purchase of mobile homes shall be governed by agreement of the lender and borrower.

Sec. 4. 9-A MRSA §2-403 is enacted to read:

Notwithstanding other provisions of this Code, the maximum interest rate which may be charged on consumer loans for the purchase of mobile homes shall be governed by agreement of the lender and borrower.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

29 STATEMENT OF FACT

The purpose of this bill is to exempt mobile home transactions from the usury ceiling contained within the Consumer Credit Code. The bill otherwise leaves all provisions of the Consumer Credit Code affecting those transactions intact. The risk factor associated with those loans and the fact that the term of

those loans is considerably longer than for other types of consumer loans, typically from 7 to 15 years, combined with high interest rates in recent years have made financing of those transactions very difficult to obtain. These factors require that mobile home transactions be treated differently from other consumer loans.

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