

# MAINE STATE LEGISLATURE

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L.D. 656

(Filing No. H-114 )

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
111TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A"  
to S.P. 219, L.D. 656, Bill, "AN ACT to Amend the  
Maine Consumer Credit Code."

Amend the amendment by striking out everything  
after the first paragraph after the title and insert-  
ing in its place the following:

'Sec. 6. 9-A MRSa §3-204, sub-§2, as amended by  
PL 1975, c. 178, is further amended to read:

2. A creditor may change the terms of an open-  
end credit account whether or not the change is  
authorized by prior agreement. Except as provided in  
subsection 3, the creditor shall give to the consumer  
written notice of any change of terms relating to  
penalties, interest or other charges at least 3  
times, with the first notice at least 3 months 30  
days before the effective date of the change. Any  
change of terms which would increase any penalty,  
interest or other charges may not affect outstanding  
balances incurred prior to the effective date of any  
such change unless:

A. The creditor includes in the above described  
notice of change an offer to finance by a sep-  
arate loan arrangement the outstanding unpaid  
balance as of the effective date of such the  
change at the same rate of interest with the same  
repayment schedule as applies to such that open-  
end credit account;

B. The consumer may accept such the offer of  
said a separate loan arrangement with respect to  
the then existing unpaid balance anytime prior to  
30 7 days before the change is to become effec-



HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 219  
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1 and apply the change only prospectively. Under the  
2 Uniform Consumer Credit Code, the creditor may apply  
3 the change prospectively with only the 15-day notice  
4 requirement of the federal truth-in-lending laws.  
5 The creditor may apply the new terms to an existing  
6 balance, if he gives 2 notices, one at least 90 days  
7 prior to the effective date of the change; under the  
8 Uniform Consumer Credit Code, the creditor need not  
9 offer a separate loan agreement for the outstanding  
10 balance.

11 This amendment allows creditors in a volatile  
12 credit market to adapt more quickly to changes, and  
13 would also bring creditors governed by the Maine Con-  
14 sumer Credit Code a step closer to their competitors  
15 who are governed by less restrictive state and fed-  
16 eral laws.

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Filed by Rep. Brannigan of Portland  
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House  
4/5/83 (Filing No. H-114)