

MAINE STATE LEGISLATURE

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L.D. 656

(Filing No. S- 34)

STATE OF MAINE
SENATE
111TH LEGISLATURE
FIRST REGULAR SESSION

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

Amend the bill by striking out all of section 6
and inserting 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 ~~said~~ such the offer of
~~a~~ separate loan arrangement with respect to
the then existing unpaid balance anytime prior to
30 days before the change is to become effective;

COMMITTEE AMENDMENT "A" to S.P. 219, L.D. 656

1 C. The creditor has legal authority to make such
2 a loan; and

3 D. No minimum finance charge is assessed nor
4 prepayment penalty charged on such loan.'

5 STATEMENT OF FACT

6 This amendment removes a provision in the bill
7 regarding the use of certain types of index in vari-
8 able rate consumer loans.

9 The amendment also reduces the period a creditor
10 must wait before changing the terms of an open-end
11 credit account from 3 months to 30 days and allows
12 for a single written notice.

13 2786031183

Reported by the Committee on Business Legislation

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