

MAINE STATE LEGISLATURE

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(EMERGENCY)
(New Draft of S.P. 86, L.D. 217)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document No. 1121

S.P. 366 In Senate, March 9, 1983
Reported by Senator Clark of Cumberland from the Committee on
Business Legislation and printed under Joint Rule 2.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

AN ACT to Amend the Consumer Credit Code
Regarding Mobile Homes.

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

Whereas, the law regarding the maximum rate of interest chargeable on consumer loans to finance mobile homes was modified last year so that the maximum rate became tied to mortgage rates of the Federal Housing Administration and the Veterans' Administration; and

Whereas, the effect of this change has been to effectively eliminate any form of mobile home dealer financing; and

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

4 Whereas, in the judgment of the Legislature,
5 these facts create an emergency within the meaning of
6 the Constitution of Maine and require the following
7 legislation as immediately necessary for the preser-
8 vation of the public peace, health and safety; now,
9 therefore,

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

12 Sec. 1. 9-A MRSA §2-201, sub-§10, as enacted by
13 PL 1981, c. 618, §3, is repealed and the following
14 enacted in its place:

15 10. Notwithstanding any other subsection, the
16 finance charge on a mobile home transaction may not
17 exceed the greater of the following:

18 A. A rate 2% greater than the maximum rate
19 established by federal regulations pursuant to
20 the United States Code, Title 12, Section 1709-1,
21 National Housing Act, as amended, or the United
22 States Code, Title 38, Section 1819(f), Veterans
23 Housing Act of 1970, as amended, and published
24 from time to time in the Federal Register, 24
25 Code of Federal Regulations, Part 201 or 38 Code
26 of Federal Regulations, Part 36, respectively.
27 In the event of a difference between these rates,
28 the higher rate established for a transaction
29 involving a mobile home without land shall form
30 the basis for computing this rate; or

31 B. 18% per year.

32 In the event no specific maximum rate is established
33 by federal regulation in accordance with this subsec-
34 tion, this subsection shall not apply.

35 Sec. 2. 9-A MRSA §2-401, sub-§8, as enacted by
36 PL 1981, c. 618, §4, is repealed and the following
37 enacted in its place:

