

MAINE STATE LEGISLATURE

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(New Draft of H.P. 900, L.D. 1179)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 1577

H.P. 1191

House of Representatives, May 10, 1983

Reported by the Majority from the Committee on Business Legislation and printed under Joint Rule 2.

Original bill presented by Representative Pouliot of Lewiston. Cosponsored by Senator Pray of Penobscot, Representative Benoit of So. Portland and Representative Conary of Oakland.

EDWIN H. PERT, Clerk

STATE OF MAINE

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

AN ACT to Amend the Maine Consumer
Credit Code.

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

Sec. 1. 9-A MRSA §2-501, sub-§1, ¶D, as enacted by PL 1975, c. 324, §3, is amended to read:

D. "Closing costs" as defined in section 1-301, subsection 8-; and

Sec. 2. 9-A MRSA §2-501, sub-§1, ¶E is enacted to read:

E. An annual charge, not to exceed \$12 on each account, for the privilege of using a lender credit card. A charge assessed pursuant to this paragraph may be assessed only on the renewal date of the lender credit card or on the anniver-

1 sary thereof. No charge may be assessed pursuant
2 to this paragraph before January 1, 1984.

3 STATEMENT OF FACT

4 This new draft, like the original bill, allows
5 users of lender credit cards to be assessed an annual
6 charge. This draft substitutes a \$12 charge for the
7 \$15 charge contemplated by the bill, and removes the
8 requirement of a credit against finance charges.

9 Several procedural questions are addressed here
10 that were not addressed in the original bill. First,
11 the charge would be assessed at the renewal date and,
12 in the case of cards issued for multiple years, annu-
13 ally on that date. Second, the charge would be
14 assessed only once on each account, regardless of the
15 number of cards issued on that account. Finally, no
16 such charges could be assessed prior to January 1,
17 1984.

18 This measure permits, but does not require, users
19 of lender credit cards to be charged up to \$12 annu-
20 ally for use of the card. Testimony at the public
21 hearing revealed that these charges are currently
22 allowed in 45 states, often with no limitation on
23 amount, but that only 62% of banks assess these
24 charges.

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