

MAINE STATE LEGISLATURE

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L.D. 1912

(Filing No. H- 476)

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

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COMMITTEE AMENDMENT "A" to H.P. 1460,
L.D. 1912, Bill, "AN ACT to Amend the Maine Consumer
Credit Code to Exempt Financing of Educational Ex-
penses."

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Amend the Bill by striking out everything after
the enacting clause and before the Statement of Fact
and inserting in its place the following:

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'Sec. 1. 9-A MRSA §1-202, sub-§7, as amended by
PL 1983, c. 212, §1, is repealed and the following
enacted in its place:

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7. A loan or consumer credit sale made exclu-
sively for the purpose of deferring or financing edu-
cational expenses and on which the finance charge
does not exceed that rate per year on the unpaid bal-
ances of the amount financed, as shall be established
by federal law, or, for loans or consumer credit
sales for which federal law does not establish a
rate, the highest rate established for educational
loans under any federal program and which is insured,
guaranteed, subsidized or made directly by the Feder-
al Government, a state, a nonprofit private loan
guaranty or organization, by the educational institu-
tion itself or through an endowment or trust fund af-
iliated with such an institution;

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Sec. 2. 9-A MRSA §1-301, sub-§20-A, as enacted
by PL 1977, c. 696, §113, is repealed.'

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STATEMENT OF FACT

The purpose of this amendment is to make clear

COMMITTEE AMENDMENT "A" to H.P. 1460, L.D. 1912

1 that all forms of educational loans, including those
2 made by private elementary and secondary schools in
3 Maine, to parents to help finance their children's
4 attendance, are exempt from the Maine Consumer Credit
5 Code, provided the finance charges on the loans do
6 not exceed the maximum rate permitted by federal law
7 and the loan is made by the school itself or is oth-
8 erwise insured, guaranteed or subsidized by the Fed-
9 eral Government, a private loan guaranty authority or
10 an endowment fund affiliated with the school. This
11 amendment preserves the present requirements of Maine
12 law but expands the types of loans eligible for ex-
13 emption.

14 Section 2 of the amendment repeals a definitional
15 section in the Maine Consumer Credit Code that is no
16 longer necessary in light of the expansion in the ex-
17 emption granted to educational loans.

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