

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 1912  
6

7 H.P. 1460

House of Representatives, January 10, 1984

8 Approved for introduction by the Legislative Council pursuant to Joint  
9 Rule 26.

10 Reference to the Committee on Business Legislation is suggested and  
ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Nelson of Portland.

11 Cosponsors: Representative Brannigan of Portland, Senator Perkins of  
Hancock and Senator Clark of Cumberland.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FOUR  
16

17 AN ACT to Amend the Maine Consumer  
18 Credit Code to Exempt Financing of  
19 Educational Expenses.  
20

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

23 9-A MRSA §1-202, sub-§7, as amended by PL 1983,  
24 c. 212, §1, is further amended to read:

25 7. A loan or consumer credit sale made for the  
26 purpose of deferring or financing expenses related to  
27 attendance at an institution of post-secondary educa-  
28 tion or at a state-approved private educational in-  
29 stitution located in this State, and on which the fi-  
30 nance charge does not exceed that rate per year on  
31 the unpaid balances of the amount financed as shall  
32 be established by federal law or, for loans or con-  
33 sumer credit sales for which federal law does not es-  
34 tablish a rate, the highest rate established for edu-  
35 cational loans under any federal program, and which

1 is insured, guaranteed or subsidized by the Federal  
2 Government or a state or by a nonprofit private loan  
3 guaranty or organization or by the ~~institution of~~  
4 higher education educational institution itself or  
5 through an endowment or trust fund affiliated with  
6 such an institution;

7 STATEMENT OF FACT

8 The purpose of this bill is to allow private  
9 schools in Maine to offer student loans that allow  
10 the student or parent to defer payment until the stu-  
11 dent has graduated. Maine Consumer Credit Code pro-  
12 visions requiring equal payments over equal periods  
13 presently prohibit private schools from providing fi-  
14 nancing similar to that available for college ex-  
15 penses. College loans are already exempt from the  
16 Maine Consumer Credit Code. Both college loans and  
17 loans for tuition in lower grades would be exempt  
18 from the Maine Consumer Credit Code only if they car-  
19 ry interest at or below the federal loan program  
20 rates.

21 4841121983