

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1525

H.P. 1122 House of Representatives, May 11, 1987  
Submitted by the Department of Professional and Financial  
Regulation pursuant to Joint Rule 24.

Referred to the Committee on Business Legislation. Sent  
up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative TELOW of Lewiston.

Cosponsored by Senator BALDACCI of Penobscot,  
Representatives STEVENS of Sabattus and SHELTRA of Biddeford.

STATE OF MAINE

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

AN ACT to Improve Disclosure of Consumer  
Leases.

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

Sec. 1. 9-A MRSA §8-207, first ¶, as enacted by  
PL 1981, c. 243, §25, is amended to read:

Each creditor shall give a consumer prior to the  
consummation of the lease a dated written statement  
on which the creditor and consumer are identified  
setting out accurately and in a clear and conspicuous  
manner, as prescribed by rules adopted by the admin-  
istrator, the following information with respect to  
that lease, as applicable:

Sec. 2. 9-A MRSA §8-207, sub-§1, as enacted by  
PL 1981, c. 243, §25, is amended to read:

1 1. A brief description or identification of the  
2 leased property, including its capitalized cost;

3 Sec. 3. 9-A MRSA §8-207, last ¶, as enacted by  
4 PL 1981, c. 243, §25, is amended to read:

5 The disclosures required under this section may  
6 shall be made in the lease contract to be signed by  
7 the consumer accordance with rules adopted by the ad-  
8 ministrator and shall be signed by the consumer. The  
9 administrator may provide by regulation that any por-  
10 tion of the information required to be disclosed un-  
11 der this section may be given in the form of esti-  
12 mates where the creditor is not in a position to know  
13 exact information.

14 STATEMENT OF FACT

15 Leasing of consumer goods, particularly automo-  
16 biles, is becoming increasingly popular. Because  
17 penalties for breach of a lease may be severe, clear  
18 disclosure of terms and conditions is critical. While  
19 current federal and state laws require disclosure of  
20 key terms, there is no mandated segregation of those  
21 terms from the body of the lease contract as there is  
22 on loans and credit sales under the Truth-in-Lending  
23 Act. In a typical lease document that runs 28 inches  
24 in length, it is difficult for the average consumer  
25 to find those key terms.

26 This bill amends current state law by granting to  
27 the Superintendent of Consumer Credit Protection  
28 rule-making authority to specify the manner of dis-  
29 closure of key lease terms.

1           The bill also requires disclosure of the capital-  
2           ized cost of the leased property, which is the start-  
3           ing point for determining monthly lease payments.  
4           Current law does not require disclosure of this term.  
5           If the capitalized cost is disclosed, consumers will  
6           have the opportunity to decide if that price is an  
7           appropriate starting point for the lease contract,  
8           making it a negotiable item.

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