

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 643, L.D. 917, Bill, "An Act to Authorize Recovery of Certain Collection Costs"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'9-A MRSA §3-402, as amended by PL 1981, c. 293, §4, is repealed and the following enacted in its place:

§3-402. Limitation on default charges

1. The agreement with respect to a consumer credit transaction may not provide for any charges as a result of default by the consumer, except that the agreement may provide for the following:

A. Charges authorized by other provisions of this Act;

B. Notwithstanding section 2-507, reasonable charges incurred in realizing on a security interest in personal property securing a consumer loan or a consumer credit sale, other than attorney's fees; and

C. Notwithstanding section 2-507, reasonable attorney's fees, legal expenses and other reasonable costs incurred in realizing on real property securing a consumer loan or a consumer credit sale.

2. A provision in violation of this section is unenforceable.'

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STATEMENT OF FACT

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6 This amendment restricts the practice of charging the debtor
for reasonable attorney's fees, legal expenses and costs after
default on a consumer loan or a consumer credit sale foreclosure
8 on real property that secures the debt. It also reorganizes the
sentences to make the section easier to read.

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Reported by the Committee on Banking and Insurance.
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(5/3/91)

(Filing No. H-239)