## MAINE STATE LEGISLATURE

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2	L.D. 94L
. 2	(Filing No. H- 465)
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8	STATE OF MAINE HOUSE OF REPRESENTATIVES 115TH LEGISLATURE
10	FIRST REGULAR SESSION
12	COMMITTEE AMENDMENT " $eta$ " to H.P. 662, L.D. 941, Bill, "Ar
14	Act to Amend the State's Statute of Frauds"
16	Amend the bill by striking out the title and substituting the following:
18	'An Act to Amend the Requirement that Contracts Be in Writing'
20	
22	Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:
24	'10 MRSA c. 202-B is enacted to read:
26	CHAPTER 202-B
28	COMMERCIAL LOAN AGREEMENTS
30	\$1146. Writing required for commercial loans
32	
34	1. Writing and signature required. A borrower may not maintain an action upon any agreement to lend money, extend credit, forbear from collection of a debt or make any other
36	accommodation for the repayment of a debt for more than \$250,000 unless the promise, contract or agreement on which the action is
38	brought, or some memorandum or note of the promise, contract or agreement, is:
40	
42	A. In writing; and
44	B. Signed by the party to be charged with the promise, contract or agreement, or by some person lawfully authorized to sign for the party to be charged.

## COMMITTEE AMENDMENT " $\mathcal{A}$ " to H.P. 662, L.D. 941

2	2. Notice. Subsection 1 does not apply if the person to be charged with the promise, contract or agreement failed to notify
4	the borrower that the promise, contract or agreement must be in
б	writing for an action to be maintained.'
8	STATEMENT OF FACT
10	This amendment replaces the bill. It moves the language proposed by the bill from the Statute of Frauds in the Maine
12	Revised Statutes, Title 33 to Title 10, Regulation of Trade.
14	This amendment revises 2 phrases in the new section to more accurately describe the transactions involved.
16	First, the phrase "forbear repayment" is changed to "forbear
18	from collection of a debt." Forbearance is a concept typically associated with a right, while repayment is the obligation of one
20	who owes a duty.
22	Second, the overly broad phrase "other financial accommodation" is changed to the narrower "accommodations for the
24	repayment of a debt."
26	In addition, this amendment increases the minimum loan or credit amount for which a writing is required to \$250,000. Since
28	the focus of the bill is primarily large commercial agreements, there is no need for a lower minimum which may inadvertently
30	disadvantage unsophisticated borrowers.
32	If the lender did not notify the borrower that a writing is
34	required to maintain an action on the promise, contract or agreement, the borrower is not prohibited from pursuing an action
36	on the promise, contract or agreement.

Reported by the Committee on Judiciary
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