

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1292

H.P. 895

House of Representatives, March 27, 1991

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed. Pert".

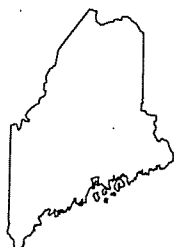
EDWIN H. PERT, Clerk

Presented by Representative MORRISON of Bangor.
Cosponsored by Representative GARLAND of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Clarify Regulation of Private Label Credit Cards.



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

2
4 Sec. 1. 9-A MRSA §1-201, sub-§1-A is enacted to read:

6 1-A. This Act applies to an open-end credit plan offered in
8 connection with a seller located in this State, using cards
10 displaying the name of the seller.

12 Sec. 2. 9-A MRSA §1-301, sub-§17, ¶B, as enacted by PL 1981, c.
14 243, §12, is amended to read:

16 B. Is the person to whom the debt arising from the consumer
18 credit transactions is initially payable on the face of the
20 evidence of indebtedness or, if there is no such evidence of
22 indebtedness, by agreement. Notwithstanding the previous
24 sentence, a person who regularly arranges for the extension
 of consumer credit from persons who are not creditors is a
 creditor and in the case of an open-end credit plan
 involving a credit card, the card issuer and any person who
 honors the credit card and offers a discount which is a
 finance charge are creditors. In the case of an open-end
 credit plan involving a credit card offered in connection
 with a seller in this State using cards displaying the name
 of the seller, the seller is a creditor.

26 For the purposes of the requirements imposed under section
28 8-205, subsection 1, paragraphs E, F, G, and subsection 2,
30 paragraphs A, B, C, D, I, K, and Article VIII, Parts 3 and
32 4, the term "creditor" also includes card issuers whether or
34 not the amount due is payable by agreement in more than 4
36 installments or the payment of a finance charge is or may be
 required, and the administrator shall, by regulation, apply
 these requirements to those card issuers, to the extent
 appropriate, even though the requirements are by their terms
 applicable only to creditors offering open-end credit plans.

38 **STATEMENT OF FACT**

40 This bill clarifies that the protections of the Maine
42 Consumer Credit Code apply to credit card plans using cards that
 feature the name of a seller in this State, even though the
 credit cards may be issued by another entity.