

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2239

H.P. 1585

House of Representatives, January 28, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.
Reference to the Committee on Banking and Insurance suggested and ordered printed.

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

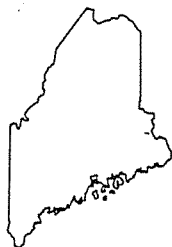
EDWIN H. PERT, Clerk

Presented by Representative VIGUE of Winslow.
Cosponsored by Representative MURPHY of Berwick.

STATE OF MAINE

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

An Act to Protect Consumers.



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

4 **Sec. 1. 9-B MRSA §241, sub-§8 is enacted to read:**

6 **8. Notice of setoff.** A financial institution authorized to
8 do business in this State may not exercise a right of setoff
10 against the account or property of a consumer unless the
12 financial institution has given notice pursuant to Title 9-A,
14 section 5-110.

16 **STATEMENT OF FACT**

18 A consumer in a consumer credit transaction is entitled to
20 notice of default and right to cure prior to the financial
institution exercising its rights to setoff. This bill grants
the same rights to a customer of a financial institution if the
institution intends to exercise its rights against the customer's
consumer account or property. This gives consumer rights
protection to a business person who signs a loan for the business
in a personal capacity.