

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

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Legislative Document

No. 894

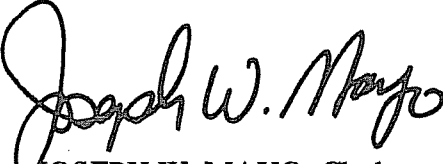
H.P. 656

House of Representatives, March 15, 1993

**An Act to Establish Maximum Interest Rates for Automobile Financing.**

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative MITCHELL of Vassalboro.  
Cosponsored by Representatives: HALE of Sanford, OLIVER of Portland, RYDELL of Brunswick.

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

2                   **Sec. 1. 9-A MRSA §2-201, sub-§9, ¶A**, as amended by PL 1981, c.  
4 293, §1, is further amended to read:

6                   A. On any new motor vehicle designated by the manufacturer  
8 by a year model not earlier than the year in which the sale  
is made, ~~18%~~ 13% per year on the unpaid balances of the  
amount financed;

10                   **Sec. 2. 9-A MRSA §2-201, sub-§9, ¶B**, as repealed and replaced  
12 by PL 1979, c. 661, §1, is amended to read:

14                   B. On any new motor vehicle not included in paragraph A and  
16 on any used motor vehicle designated by the manufacturer by  
a year model of the same or not more than 3 years prior to  
18 the year in which the sale is made, ~~20%~~ 15% per year on the  
unpaid balances of the amount financed;

20  
22                   **STATEMENT OF FACT**

24                   This bill reduces the maximum permitted interest rate on a  
26 loan for a new motor vehicle from 18% to 13% and for a used motor  
vehicle not less than 3 years old from 20% to 15% and retains the  
rate of 23.5% on a loan for an older motor vehicle.  
28