

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 900

H.P. 662

House of Representatives, March 15, 1993

An Act to Change the Fees Payable to the Bureau of Consumer Credit Protection.

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative LARRIVEE of Gorham.

Cosponsored by Representatives: MORRISON of Bangor, ST. ONGE of Greene.

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

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4 **Sec. 1. 9-A MRSA §1-202, sub-§7**, as amended by PL 1987, c. 129, §10, is further amended to read:

6 7. A loan or consumer credit sale made exclusively for the
8 purpose of deferring or financing educational expenses and on
10 which the finance charge does not exceed that rate per year on
12 the unpaid balances of the amount financed, as ~~shall--be~~ is
14 established by federal law, or, for loans or consumer credit
16 sales for which federal law does not establish a rate, the
18 highest rate established for educational loans under any federal
20 program and ~~which that~~ is insured, guaranteed, subsidized or made
22 directly by the Federal Government, a state, a nonprofit private
24 loan guaranty or organization, by the educational institution
26 itself or through an endowment or trust fund affiliated with such
28 an institution; ~~or~~

30 **Sec. 2. 9-A MRSA §1-202, sub-§8, ¶C**, as amended by PL 1987, c. 396, §2, is further amended to read:

32 C. With respect to a creditor other than a supervised
34 financial organization, the exemption provided by this
36 subsection ~~shall--apply~~ applies to articles II, III, IV and V
38 only; ~~or~~

40 **Sec. 3. 9-A MRSA §1-202, sub-§10** is enacted to read:

42 10. A loan made by a supervised financial organization
44 secured by a mortgage on real estate, if the security interest in
46 real estate is not made for the purpose of circumventing or
48 evading this Act.

50 **Sec. 4. 9-A MRSA §1-202, last ¶**, as amended by PL 1987, c. 396, §3, is further amended to read:

 The exclusions set forth in subsection 1 relating to
 extensions of credit to consumers by governments or governmental
 agencies, instrumentalities or organizations, and in subsections
 2, 4, 5, 7 and, 8, ~~shall~~ and 10 do not apply to the Maine
 Consumer Credit Code, Truth-in-lending, ~~Article~~ article VIII.

Sec. 5. 9-A MRSA §6-203, sub-§§2-A and 6 are enacted to read:

2-A. Notwithstanding subsection 1 or 2, supervised
 financial organizations shall pay fees in lieu of the fees
 specified in subsections 1 and 2 as follows:

A. Annually on the basis of 2¢ per \$1,000 of the
 outstanding balance of loans subject to this Part; and

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B. An annual notification fee in the amount of \$50.

6. The administrator shall ensure that fees received from different types of creditors subject to this Part are expended proportionately on the examination and complaint resolution of those types of creditors.

STATEMENT OF FACT

This bill exempts loans made by supervised financial organizations and secured by an interest in real estate from the Maine Consumer Credit Code, except for the purposes of complying with the State's truth-in-lending laws. This is consistent with the original enactment of the Maine Consumer Credit Code in 1973 when no real estate-secured bank loans were subject to that code.

The bill also restructures the fees payable to the Bureau of Consumer Credit Protection.

The bill requires that the fees generated by different types of creditors be used to examine those types of creditors and ensures that one class of creditor does not subsidize the examination and complaint resolution of another.