

MAINE STATE LEGISLATURE

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M
R. of S.

L.D. 49

DATE: April 19, 1995

(Filing No. S- 70)

BANKING AND INSURANCE

Reported by: Senator ABROMSON of Cumberland for the Committee.

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STATE OF MAINE SENATE 117TH LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A" to S.P. 18, L.D. 49, Bill, "An Act to Create Additional Employment Opportunities in the Financial Services Industry by Allowing Financial Organizations to Charge Additional Finance Charges"

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, several large credit card issuing companies are considering their expansion plans at this time; and

Whereas, Maine's current laws regarding credit cards may not attract these companies; and

Whereas, the changes to the credit card laws proposed by this legislation may help these nationally known companies decide to locate expansions or new operations in Maine, which will result in many new jobs; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to S.P. 18, L.D. 49

2 Further amend the bill in section 5, in subsection 4, in the
5th line, (page 1, line 39 in L.D.) by inserting after the
4 following: "lender credit" the following: 'card'

6 Further amend the bill in section 5, in subsection 4,
paragraph D, in the 7th to 10th lines (page 2, lines 13 to 16 in
8 L.D.) by striking out the following: "costs incurred by reason
of examination of title, inspection, appraisal, recording,
10 mortgage satisfaction or other formal acts necessary or
appropriate to the security for the plan"

12 Further amend the bill in section 5, in subsection 4,
paragraph D, in the last line (page 2, line 17 in L.D.) by
14 inserting after the following: "filing fees" the following: ',
but excluding costs of collections after default, other than
reasonable attorney's fees not in excess of 15% of the unpaid
16 debt incurred in connection with a legal action brought by an
attorney who is not a salaried employee of the creditor'

20 Further amend the bill in section 5 by inserting at the end
22 the following:

24 'This subsection does not apply to open-end credit plans secured
by a consumer's principal dwelling or by any 2nd or vacation home
26 of the consumer.'

28 Further amend the bill by inserting at the end before the
statement of fact the following:

30 '**Emergency clause.** In view of the emergency cited in the
32 preamble, this Act takes effect when approved.'

34 Further amend the bill by inserting at the end before the
statement of fact the following:

36 **FISCAL NOTE**

38 The Bureau of Consumer Credit Protection will incur some
40 minor additional costs to administer certain statutory provisions
relating to allowable finance charges for open-end credit plans.
42 These costs can be absorbed within the bureau's existing budgeted
resources.'

44

46 **STATEMENT OF FACT**

48 This amendment adds an emergency preamble and emergency
clause.

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COMMITTEE AMENDMENT "A" to S.P. 18, L.D. 49

2 The amendment also makes the following changes:

4 1. Inserts the word "card," which was omitted in the
original bill;

6 2. Strikes language that refers to fees associated with
8 costs of securing a credit line by real estate;

10 3. Clarifies the extent of attorney's fees that may be
collected in any collection action against a consumer; and

12 4. Clarifies that the provisions do not apply to open-end
14 credit plans secured by a consumer's principal dwelling or 2nd
home.

16 The amendment also adds a fiscal note.