

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

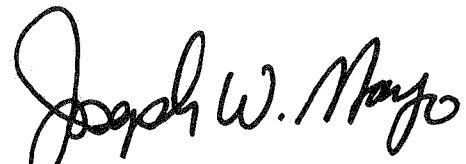
No. 1265

H.P. 922

House of Representatives, February 27, 1997

An Act to Establish a Maximum Rate of Interest on Credit Card Debt.

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


JOSEPH W. MAYO, Clerk

Presented by Representative GOODWIN of Pembroke.

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

2 **Sec. 1. 9-A MRSA §2-201, sub-§2,** as amended by PL 1985, c.
4 763, sub-§21, is repealed.

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

8 2-A. Notwithstanding this section, the finance charge
10 allowable on any transaction involving a credit card purchase may
12 not exceed 12 1/2% per year on the unpaid balances of the amount
14 financed.

16 **Sec. 3. 9-A MRSA §2-201, sub-§5,** as enacted by PL 1973, c.
18 762, §1, is amended to read:

20 5. Subject to classifications and differentiations the
22 seller may reasonably establish, he the seller may make the same
24 finance charge on all amounts financed within a specified range.
26 A finance charge ~~so-made~~ does not violate subsection 2 2-A if:

28 A. When applied to the median amount within each range, it
30 does not exceed the maximum permitted by subsection 2 2-A;
32 and

34 B. When applied to the lowest amount within each range, it
36 does not produce a rate of finance charge exceeding the rate
38 calculated according to paragraph A by more than 8% of the
40 rate calculated according to paragraph A.

42 **Sec. 4. 9-A MRSA §2-201, sub-§6,** as repealed and replaced by
44 PL 1975, c. 298, §1, is amended to read:

46 6. Notwithstanding subsection 2 2-A, the seller may
48 contract for and receive a minimum charge of not more than:

50 A. Five dollars when the amount financed does not exceed
 \$75;

 B. Seven dollars and fifty cents when the amount financed
 exceeds \$75, but is less than \$250; or

 C. Twenty-five dollars when the amount financed is \$250 or
 more and when, within 30 days from the date of the
 transaction, the agreement is assigned by the seller, other
 than a seller of motor vehicles, to an assignee having no
 corporate relationship to the seller-assignor.

Sec. 5. 9-A MRSA §2-201, sub-§8, as amended by PL 1985, c.
 763, Pt. A, §23, is repealed.

Sec. 6. 9-A MRSA §2-202, sub-§8 is enacted to read:

8. Notwithstanding this section, the finance charge allowable on any transaction involving a credit card purchase may not exceed 12 1/2% per year.

Sec. 7. 9-A MRSA §2-402, sub-§6 is enacted to read:

6. Notwithstanding this section, the finance charge allowable on any transaction involving a credit card purchase may not exceed 12 1/2% per year.

SUMMARY

This bill limits the interest that may be charged on any transactions involving a credit card purchase to 12 1/2%.