

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

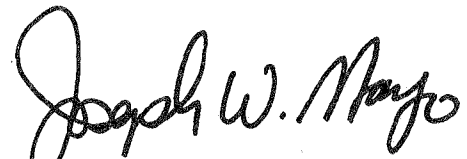
No. 1509

H.P. 1072

House of Representatives, March 13, 1997

Resolve, to Create a Restriction on Requiring the Early Payment of Loans.

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


JOSEPH W. MAYO, Clerk

Presented by Representative GERRY of Auburn.

Sec. 1. Review of procedures for calling in loans early. Resolved:

2 That the Commissioner of Professional and Financial Regulation
4 shall review the procedures used by banks for calling in loans
6 by banks for late payments of loans and the frequency with which
8 banks require early payment of loans. The commissioner shall
10 make recommendations regarding a prohibition on the ability of a
12 bank to require the early payment of loans and the establishment
14 of set penalties for late payment of loans. The commissioner
16 shall submit a written report on the commissioner's findings and
18 recommendations, together with implementing legislation, to the
20 Joint Standing Committee on Banking and Insurance no later than
22 January 16, 1998.
24

SUMMARY

18 This resolve directs the Commissioner of Professional and
20 Financial Regulation to study the practice of banks calling in
22 loans early and to make recommendations to prohibit this
24 practice. The commissioner is also required to study and
recommend set penalties imposed by banks for late payments of
loans.