

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 831

H.P. 591

House of Representatives, January 28, 1999

An Act to Limit the Maximum Finance Charge to 10.5%.

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

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative GOODWIN of Pembroke.

Cosponsored by Representatives: DUGAY of Cherryfield, PERKINS of Penobscot.

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 1997, c.
4 727, Pt. B, §3, is repealed.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 10.5% per year on the unpaid balance 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 That finance charge ~~se-made~~ does not violate subsection 2 2-A
28 if:

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

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

44 **Sec. 4. 9-A MRSA §2-201, sub-§6**, as repealed and replaced by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

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

 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 §2-202, sub-§8 is enacted to read:

