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.

OSEPH W. MAYO, Clerk

Presented by Representative GOODWIN of Pembroke. Cosponsored by Representatives: DUGAY of Cherryfield, PERKINS of Penobscot.

4	Sec. 1. 9-A MRSA §2-201, sub-§2, as amended by PL 1997, c.
4	727, Pt. B, §3, is repealed.
б	Sec. 2. 9-A MRSA §2-201, sub-§2-A is enacted to read:
8	2-A. Notwithstanding this section, the finance charge allowable on any transaction involving a credit card purchase may
10	not exceed 10.5% per year on the unpaid balance of the amount financed.
12	G
14	Sec. 3. 9-A MRSA §2-201, sub-§5, as enacted by PL 1973, c. 762, §1, is amended to read:
16	5. Subject to classifications and differentiations the seller may reasonably establish, he the seller may make the same
18	finance charge on all amounts financed within a specified range. A That finance charge so-made does not violate subsection 2 2-A
20	if:
22	A. When applied to the median amount within each range, it does not exceed the maximum permitted by subsection $2 \frac{2-A}{2}$;
24	and
26	B. When applied to the lowest amount within each range, it does not produce a rate of finance charge exceeding the rate
28	calculated according to paragraph A by more than 8% of the rate calculated according to paragraph A.
30	C . 4 0 4 MDC4 92 201 . L 97
32	Sec. 4. 9-A MRSA §2-201, sub-§6, as repealed and replaced by PL 1975, c. 298, §1, is amended to read:
34	6. Notwithstanding subsection 2 2-A, the seller may contract for and receive a minimum charge of not more than:
36	
38	A. Five dollars when the amount financed does not exceed \$75;
40	B. Seven dollars and fifty cents when the amount financed exceeds \$75, but is less than \$250; or
42	
4.4	C. Twenty-five dollars when the amount financed is \$250 or
44	more and when, within 30 days from the date of the transaction, the agreement is assigned by the seller, other
4 6	than a seller of motor vehicles, to an assignee having no corporate relationship to the seller-assignor.
48	Sec. 5. 9-A MRSA §2-202, sub-§8 is enacted to read:
50	Total > Investor 2m man and 10 to enderged to read.

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

	8. Notwithstanding this section, the finance charge
2	allowable on any transaction involving a credit card purchase may
	not exceed 10.5% per year on the unpaid balance of the amount
4	financed.
6	Sec. 6. 9-A MRSA §2-401, sub-§2, as amended by PL 1997, c.
O	
•	727, Pt. B, §10, is further amended to read:
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	2. With respect to a consumer loan, other than a loan
10	pursuant to open-end credit, a lender may contract for and
	receive a finance charge calculated according to the actuarial
12	method, not exceeding the equivalent of the fellowing 10.5% per
	year on the unpaid balance of the amount financed.
14	
	AThe-tetal-ef+
16	
	(i) 30% -per -year - on - that -part - of - the -unpaid - balances
18	of-the-amount-financed-that-is-\$2,000-er-less;
-0	ox-enc-ameanc-rranded-and-rr-psycoo-er-resty
20	(ii) 24%-per-year-on-that-part-of-the-unpaid-balances
20	
22	of-the-amount-financed-that-is-more-than-\$2,000-but
22	dees-net-exceed-\$4,000;-and
24	(iii) 18%-per-year-on-that-part-of-the-unpaid-balances
	ef-the-ameunt-financed-that-is-mere-than-\$4,000+
26	
	Notwithstanding-paragraph-A,-with-respect-to-a-consumer-loan-in
28	whichtheamountfinancedenceeds\$8,000,a-lendermaynet
	contract-for-and-receive-a-finance-charge-calculated-according-to
30	the-actuarial-method-in-excess-of-18%-per-year-on-the-entire
	amount-of-the-loan.
32	
	Sec. 7. 9-A MRSA §2-402, sub-§6 is enacted to read:
34	0
• •	6. Notwithstanding this section, the finance charge
36	allowable on any transaction involving a credit card purchase may
30	not exceed 10.5% per year on the unpaid balance of the amount
38	
30	financed.
40	
40	CHMMADW
42	SUMMARY
74	militar in the control of the contro
4.4	This bill limits the interest that may be charged on
44	consumer credit transactions to 10.5%.