

MAINE STATE LEGISLATURE

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M
A. G. S.

L.D. 1736

DATE: 5-2-01

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MAJORITY
BANKING AND INSURANCE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1276, L.D. 1736, Bill, "An Act to Amend Maine Credit Laws"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 9-A MRSA §1-301, sub-§14, ¶B, as amended by PL 1987, c. 396, §7, is repealed and the following enacted in its place:

B. "Consumer loan" does not include:

(1) A sale or lease in which the seller or lessor allows the buyer or lessee to purchase or lease pursuant to a credit card other than a lender credit card.'

Further amend the bill by inserting after section 3 the following:

'Sec. 4. 9-A MRSA §6-103, as amended by PL 1995, c. 502, Pt. H, §2, is further amended to read:

§6-103. Administration

There is created and established the Office of Consumer Credit Regulation, which is a division within the Department of Professional and Financial Regulation. The Director of the Office of Consumer Credit Regulation is the head of the Office of Consumer Credit Regulation. As used in this Act, and except as provided in section 1-301, subsection 2, "administrator" means the Director of the Office of Consumer Credit Regulation. The

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2 administrator is appointed by the Commissioner of Professional
3 and Financial Regulation ~~and subject to review by the joint~~
4 ~~standing committee of the Legislature having jurisdiction over~~
5 ~~banking and insurance and to confirmation by the Legislature.~~
6 The administrator is appointed for a term that is coterminus with
7 the term of the Governor, or until a successor is appointed and
8 qualified. Any vacancy occurring must be filled by appointment
9 for the unexpired portion of the term. The administrator may be
10 removed from office for cause by the commissioner and Title 5,
11 section 931, subsection 2 does not apply.'

12 Further amend the bill by inserting after section 12 the
13 following:

14 **'Sec. 13. Application.** That section of this Act that repeals
15 and replaces the definition of consumer loan in the Maine Revised
16 Statutes, Title 9-A, section 1-301, subsection 14, paragraph B
17 applies to any consumer loan made by supervised financial
18 organizations secured by an interest in land with a finance
19 charge that does not exceed 12 1/4% entered into on or after
20 January 1, 2002.'

21 Further amend the bill by relettering or renumbering any
22 nonconsecutive Part letter or section number to read
23 consecutively.

24 Further amend the bill by inserting at the end before the
25 summary the following:

26 **'FISCAL NOTE**

27 The Office of Consumer Credit Regulation within the
28 Department of Professional and Financial Regulation will incur
29 some minor additional costs associated with processing additional
30 registrations and administration and enforcement requirements.
31 These costs can be absorbed within the agencies' existing
32 budgeted resources.

33 Additional registrations due to transactions entered into
34 following electronic mail solicitations by lenders and creditors
35 will result in insignificant increases of dedicated revenue to
36 the Office of Consumer Credit Regulation from registration fees.'

37 **SUMMARY**

38 This amendment is the majority report of the Joint Standing
39 Committee on Banking and Insurance. The amendment clarifies that
40 the Maine Consumer Credit Code applies to home equity loans with
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2 a finance charge that does not exceed 12 1/4% made by banks and
credit unions on or after January 1, 2002. Current law applies to
4 home equity loans made by mortgage companies. The amendment also
removes the requirement for legislative review and confirmation
6 of the Director of the Office of Consumer Credit Regulation.

The amendment also adds a fiscal note to the bill.