

MAINE STATE LEGISLATURE

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MINORITY
BANKING AND INSURANCE

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

COMMITTEE AMENDMENT "B" 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'Sec. 2. 9-A MRS §1-301, sub-§14, ¶B, as amended by PL 1987, c. 396, §7, is repealed and the following enacted in its place: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 12 the following:

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

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

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

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FISCAL NOTE

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6 The Office of Consumer Credit Regulation within the
8 Department of Professional and Financial Regulation will incur
10 some minor additional costs associated with processing additional
registrations and administration and enforcement requirements.
These costs can be absorbed within the agency's existing budgeted
resources.

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

SUMMARY

This amendment is the minority report of the Joint Standing
Committee on Banking and Insurance. The amendment clarifies that
the Maine Consumer Credit Code applies to home equity loans with
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
home equity loans made by mortgage companies. Unlike the
majority report of the committee, this amendment does not remove
the requirement for legislative review and confirmation of the
Director of the Office of Consumer Credit Regulation.

The amendment also adds a fiscal note to the bill.