

# MAINE STATE LEGISLATURE

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L.D. 1835

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**BANKING AND INSURANCE**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
120TH LEGISLATURE  
SECOND REGULAR SESSION**

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20 COMMITTEE AMENDMENT "A" to H.P. 1396, L.D. 1835, Bill, "An  
Act to Amend the Loan Broker Law"

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24 Amend the bill by striking out everything after the enacting  
clause and before the summary and inserting in its place the  
following:

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'Sec. 1. 9-A MRSA §10-102, sub-§1, ¶A, as enacted by PL 1989,  
c. 70, §3, is amended to read:

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A. "Credit services organization" means any person who,  
with respect to the extension of consumer credit by others,  
provides or offers to provide, in return for the separate  
payment by ~~the consumer~~ of money or other valuable  
consideration, any of the following services:

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(1) Improving a consumer's credit record, history or  
rating;

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(2) Arranging for or obtaining an extension of credit  
for a consumer; or

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(3) Providing advice or assistance to a consumer with  
respect to subparagraph (1) or (2).

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Sec. 2. 9-A MRSA §10-102, sub-§1, ¶B, as amended by PL 2001, c.  
371, §6, is further amended to read:

- 2           B. "Credit services organization" does not include:
- 4           (1) A supervised financial organization ~~as defined in~~  
6           ~~section 1-301, subsection 38-A;~~
- 8           (2) A supervised lender ~~as defined in section 1-301,~~  
10           ~~subsection 39~~ other than a supervised financial  
12           organization, except that, with respect to any  
14           transaction in which a supervised lender other than a  
16           supervised financial organization is acting solely as a  
18           credit services organization, section 10-302 applies;
- 20           (3) A person licensed by the Real Estate Commission to  
22           the extent that the person is engaged in activities  
24           regulated by that commission;
- 26           (4) A person currently admitted to the practice of law  
28           in this State;
- 30           (5) Any nonprofit organization exempt from taxation  
32           under the United States Internal Revenue Code, Section  
34           501(c)(3) to the extent that the organization's  
36           activities are consistent with those set forth in its  
38           application for tax exemption to the Internal Revenue  
40           Service; ~~or~~
- 42           (6) A consumer reporting agency, as defined in the  
44           Fair Credit Reporting Act, Title 10, chapter 210+;
- 46           (7) An affiliate of a supervised lender when the  
48           affiliate provides services described in paragraph A,  
subparagraph (1), (2) or (3) for or on behalf of that  
supervised lender and when the affiliate is not  
compensated by the consumer for those services;
- (8) An employee of a supervised lender or an employee  
of an affiliate of a supervised lender when the  
employee provides services described in paragraph A,  
subparagraph (1), (2) or (3) for or on behalf of that  
supervised lender or affiliate and when the employee or  
the affiliate is not compensated by the consumer for  
those services;
- (9) A person paid by a supervised lender or a consumer  
to document a loan, attend or conduct a loan closing,  
disburse loan proceeds or record or file loan documents;

2 (10) A person who performs marketing services for a  
4 creditor, such as a telemarketer, an advertising agency  
or a mailing house, when the person is not compensated  
by the consumer for those services;

6 (11) A seller of consumer goods or services that  
8 provides services described in paragraph A,  
subparagraph (1), (2) or (3) in connection with a sale  
10 or proposed sale of consumer goods or services by that  
seller when the seller is not compensated by a consumer  
12 for those services; or

14 (12) An employee of a seller of consumer goods or  
services that provides services described in paragraph  
16 A, subparagraph (1), (2) or (3) in connection with a  
sale or proposed sale of consumer goods or services by  
18 that seller when the employee or seller is not  
compensated by a consumer for those services.

20 For the purposes of this paragraph, "affiliate" has the same  
22 meaning as defined in Title 9-B, section 131, subsection  
1-A.'

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

### 28 'FISCAL NOTE

30 The Office of Consumer Credit Regulation within the  
32 Department of Professional and Financial Regulation will incur  
some minor additional costs to apply consumer protections to  
34 transactions involving brokers who are paid by lenders or other  
creditors. These costs can be absorbed within the agency's  
36 existing budgeted resources.

38 Amending the laws governing loan brokers to include brokers  
who are paid by lenders or other creditors will result in  
40 insignificant increases of dedicated revenue to the Office of  
Consumer Credit Regulation from registration fees.'

### 42 SUMMARY

44 This amendment replaces the bill. It clarifies that credit  
46 services organization registration requirements do not apply to  
certain business entities. The amendment exempts supervised  
48 financial organizations and the affiliates, employees or agents

COMMITTEE AMENDMENT "A" to H.P. 1396, L.D. 1835

2 of supervised lenders who are not compensated by the consumer.  
The amendment also excludes a closing agent, a telemarketer or an  
4 automobile dealer that does not accept compensation from the  
consumer for the provision of credit services. The amendment  
6 also clarifies that an employee of a person or entity excluded  
from the registration requirements is not required to register as  
8 a credit services organization unless the employee is being  
compensated for the services by the consumer.

10 The amendment also adds a fiscal note to the bill.