

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 1999

H.P. 1496

House of Representatives, December 26, 2001

An Act to Clarify Recent Amendments to the Maine Consumer Credit Code.

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 19, 2001. Referred to the Committee on Banking and Insurance pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative O'NEIL of Saco.

Cosponsored by Representatives: GLYNN of South Portland, MAYO of Bath, SMITH of Van Buren, SULLIVAN of Biddeford.

2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 Whereas, in Public Law 2001, chapter 82 the Legislature
amended the law to provide customers with the option of deferring
8 a first payment of interest on the purchase of an automobile for
a period of up to 12 months so as to allow customers the same
10 options available to consumers in other states and to allow new
car automobile dealers in the State to compete effectively by
12 providing to Maine consumers the same products offered by dealers
in neighboring states; and

14 Whereas, a question has arisen as to the interpretation of
the language contained in Public Law 2001, chapter 82; and

16
18 Whereas, the Department of Professional and Financial
Regulation has issued Joint Advisory Ruling #109, which addresses
the questions raised in connection with that law; and

20
22 Whereas, a delay in amending the law will affect
transactions occurring daily throughout the State to the
detriment of consumers and businesses; and

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26 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
28 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

34 **Sec. 1. 9-A MRSA §3-308, sub-§3,** as amended by PL 2001, c. 82,
§1, is further amended to read:

36 3. A schedule of payments may provide for the deferral of
the first periodic payment subsequent to any down payment for a
38 period of not more than 12 months, except that interest or costs
may not accrue in connection with the deferral of the first
40 periodic payment if the deferral is for a period of time in
excess of 90 days;

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44 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

46
48 **SUMMARY**

50 This bill clarifies that if a deferral of a first period
payment is for an excess of 90 days then no interest or costs may

2 accrue in connection with the entirety of that deferral. If a
deferral is for 90 days or less, then interest may accrue in
connection with such a deferral. This bill clarifies the intent
4 of Public Law 2001, chapter 82, which was enacted in the First
Regular Session of the 120th Legislature.