

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 291

H.P. 234

House of Representatives, January 28, 2003

### An Act To Provide Parity in Lending by State-chartered Lenders

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Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative O'NEIL of Saco.  
Cosponsored by Senator MAYO of Sagadahoc and  
Representatives: CANAVAN of Waterville, DUPREY of Medway, PERRY of Calais,  
SNOWE-MELLO of Poland, WOODBURY of Yarmouth, YOUNG of Limestone.

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

**Sec. 1. 9-A MRSA §2-501, sub-§1, ¶G,** as amended by PL 1997, c. 94, §1, is repealed and the following enacted in its place:

G. Delinquency charges under section 2-502 and deferral charges under section 2-503.

**Sec. 2. 9-A MRSA §2-501, sub-§4, ¶E,** as enacted by PL 1995, c. 137, §5, is repealed.

**Sec. 3. 9-A MRSA §2-502, sub-§1,** as amended by PL 1999, c. 184, §4, is further amended to read:

1. ~~With respect to a precomputed consumer credit transaction, a consumer lease or a fixed rate consumer credit transaction that is not made pursuant to open end credit and that is secured only by an interest in real estate, the parties~~ A creditor may contract for and receive a delinquency charge on any outstanding, unpaid installment payment or portion of such payment due under a consumer credit transaction or open-end credit plan not paid in full within 15 days after its scheduled or deferred due date in an amount not exceeding the greater of:

A. An amount, not exceeding \$10, ~~which that~~ is 5% of the unpaid amount of the installment; or

B. The deferral charge, section 2-503, that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent.

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**SUMMARY**

Under current law, state-chartered lenders can assess fees on delinquent accounts only if the delinquent account is precomputed with respect to interest, is a consumer lease or credit card account or is a fixed rate, closed-end mortgage. This bill permits Maine lenders to assess late fees for all consumer credit transactions, subject to the restrictions as set forth in the Maine Revised Statutes, Title 9-A, section 2-502, to place them on a more equal footing with out-of-state lenders.