

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND REGULAR SESSION-2004

Legislative Document

No. 1638

S.P. 602

In Senate, December 3, 2003

An Act To Amend the Maine Consumer Credit Code Regarding Balloon Payments

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

Received by the Secretary of the Senate on December 3, 2003. Referred to the Committee on Insurance and Financial Services and ordered printed pursuant to Joint Rule 308.2.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator LaFOUNTAIN of York.

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

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Sec. 1. 9-A MRSA §3-308, sub-§4, as amended by PL 1997, c. 94,
4 §2, is further amended to read:

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4. A schedule of payments may require a final payment not
substantially equal to all other periodic payments if the
8 transaction is made for a term of not less than 4 years and if
the contract evidencing the consumer credit transaction gives the
10 consumer the right to refinance the amount of the final payment
in order to fully amortize the obligation on terms then generally
12 offered by the creditor, if the consumer satisfies reasonable
credit standards and if the property satisfies reasonable loan to
14 value standards. The administrator shall examine the
reasonableness of standards during regular examinations and upon
16 consumer complaint. At least 60 days but not more than 180 days
prior to the maturity of the loan, the creditor must notify the
18 consumer in writing of the maturity date and the amount due on
the maturity date. The 4-year limitation does not apply to the
20 sale or lease of a motor vehicle; and

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SUMMARY

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This legislation clarifies that a motor vehicle lease or
26 loan is not subject to the minimum 48-month rule for balloon
payments.