

MAINE STATE LEGISLATURE

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R.O.S.

L.D. 1783

DATE: 2-9-06

(Filing No. S-451)

INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 700, L.D. 1783, Bill, "An Act To Amend the Maine Consumer Credit Code as It Relates to Finance Charges for Loans on Open-end Credit"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 9-A MRSA §2-402, sub-§5, as enacted by PL 1993, c. 618, §2, is amended to read:

5. With respect to loans made pursuant to a lender credit card, a creditor may not impose a finance charge if it is in excess of that set forth in the agreement between the consumer and the creditor. This subsection does not apply to open-end credit plans secured by a consumer's principal dwelling or by a 2nd or vacation home of the consumer.

SUMMARY

This amendment clarifies that home equity lines of credit accessed by a credit card are still subject to the Maine Consumer Credit Code provisions limiting the maximum interest rate for home equity lines of credit to 18%.

**FISCAL NOTE REQUIRED
(See attached)**

COMMITTEE AMENDMENT



Approved: 02/03/06 *MAC*

122nd MAINE LEGISLATURE

LD 1783

LR2655(02)

An Act To Amend the Maine Consumer Credit Code as It Relates to Finance Charges for Loans on Open-end Credit

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Office of Consumer Credit Regulation in the Department of Professional and Financial Regulation in implementing this bill can be absorbed utilizing existing budget resources.