



122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 1783

S.P. 700

In Senate, December 30, 2005

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

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

Received by the Secretary of the Senate on December 28, 2005. Referred to the Committee on Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

OBrien

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator SULLIVAN of York.

Cosponsored by Representative PERRY of Calais and Senators: MAYO of Sagadahoc, MILLS of Somerset, Representatives: BABBIDGE of Kennebunk, GLYNN of South Portland, LINDELL of Frankfort, MARRACHÉ of Waterville, McKANE of Newcastle, PILON of Saco, RICHARDSON of Warren, VAUGHAN of Durham.

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

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Sec. 1. 9-A MRSA §2-402, sub-§4, as amended by PL 1995, c. 137, §4, is further amended to read:

With respect to loans made pursuant to a lender credit 6 4. card, except for cash advances, and except when there is an outstanding balance from the prior billing cycle at the beginning 8 of a billing cycle, no finance charge may be imposed on purchases or leases of goods or services purchased during the billing 10 cycle,-provided-that if they are paid for not later than 25 days 12 after the closing date of the billing cycle in which the purchase or lease occurred. This subsection does not apply to open-end credit plans secured by a consumer's principal dwelling or by any 14 2nd or vacation home of the consumer. 16

SUMMARY

20 This bill exempts home equity lines of credit accessed by a credit card from the provision of law that prohibits the imposition of a finance charge on purchases made during a billing cycle if they are paid for no later than 25 days after the closing date of that billing cycle.