

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## SECOND REGULAR SESSION-2006

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Legislative Document

No. 2076

H.P. 1469

House of Representatives, March 16, 2006

### An Act Relating to Payday Loans

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Reported by Representative SMITH of Monmouth for the Joint Standing Committee on Business, Research and Economic Development pursuant to Joint Order 2005, H.P. 1433.

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed under Joint Rule 218.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

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

2 **Sec. 1. 9-A MRSA Art. 3, Pt. 6** is enacted to read:

3 **PART 6**

4 **PAYDAY LOANS**

5 **§3-601. Payday loan; definition**

6 "Payday loan" means a supervised loan or other credit transaction in which a cash  
7 advance is made to a consumer in exchange for the consumer's personal check or in  
8 exchange for the consumer's authorization to debit the consumer's deposit account and  
9 when the parties agree either that the check will not be cashed or deposited or that the  
10 consumer's deposit account will not be debited until a designated future date.

11 **§3-602. Territorial application**

12 Notwithstanding section 1-201, this Act applies to a payday loan transaction if the  
13 lender, wherever located, enters into a payday loan transaction with a consumer who is  
14 located in this State.

15 **SUMMARY**

16 This bill defines "payday loan" and also clarifies that the Maine Consumer Credit  
17 Code applies to a payday lender, wherever located, that makes a payday loan to a  
18 consumer located in this State.