

MAINE STATE LEGISLATURE

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SMG 1
ROFS 2

L.D. 602

Date: 5/7/13 minority

(Filing No. H-139)

3 INSURANCE AND FINANCIAL SERVICES

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5 STATE OF MAINE
6 HOUSE OF REPRESENTATIVES
7 126TH LEGISLATURE
8 FIRST REGULAR SESSION

9 COMMITTEE AMENDMENT "A" to H.P. 421, L.D. 602, Bill, "An Act
10 Regarding the Regulation of Consumer Finance Companies"

11 Amend the bill by striking out everything after the enacting clause and before the
12 summary and inserting the following:

13 'Sec. 1. 9-A MRSA §2-401, sub-§2, as amended by PL 1997, c. 727, Pt. B, §10,
14 is further amended to read:

15 2. With respect to a consumer loan, other than a loan pursuant to open-end credit, a
16 lender may contract for and receive a finance charge calculated according to the ~~actuarial~~
17 simple interest method, not exceeding the equivalent of the following:

18 A. The total of:

19 (i) ~~30%~~ 28% per year on that part of the unpaid balances of the amount financed
20 that is ~~\$2,000~~ \$3,000 or less. No origination fees may be charged on a loan of
21 \$3,000 or less;

22 (ii) 24% per year on that part of the unpaid balances of the amount financed that
23 is more than ~~\$2,000~~ \$3,000 but does not exceed ~~\$4,000~~ \$8,000; and

24 (iii) 18% per year on that part of the unpaid balances of the amount financed that
25 is more than ~~\$4,000~~ \$8,000.

26 Notwithstanding paragraph A, with respect to a consumer loan in which the amount
27 financed exceeds ~~\$8,000~~ \$12,000, a lender may not contract for and receive a finance
28 charge calculated according to the ~~actuarial~~ simple interest method in excess of 18% per
29 year on the entire amount of the loan. A lender may not use the precomputed method of
30 calculating a finance charge pursuant to this subsection.'

31 SUMMARY

32 This amendment is the minority report of the committee. The amendment updates
33 the allowable finance charges on consumer loans by companies subject to the Department

COMMITTEE AMENDMENT "A" to H.P. 421, L.D. 602

1 of Professional and Financial Regulation, Bureau of Consumer Credit Protection and
2 requires the finance charges to be calculated according to the simple interest method.

COMMITTEE AMENDMENT