

# MAINE STATE LEGISLATURE

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# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 602

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H.P. 421

House of Representatives, February 21, 2013

### An Act Regarding the Regulation of Consumer Finance Companies

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Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative BECK of Waterville.  
Cosponsored by Senator CAIN of Penobscot and  
Representatives: CASAVANT of Biddeford, GOODE of Bangor, HAYES of Buckfield,  
HOBBINS of Saco, Senators: President ALFOND of Cumberland, KATZ of Kennebec,  
THIBODEAU of Waldo, WHITTEMORE of Somerset.

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

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

4 **2.** With respect to a consumer loan, other than a loan pursuant to open-end credit, a  
5 lender may contract for and receive a finance charge calculated according to the actuarial  
6 method, not exceeding the equivalent of the following:

7 A. The total of:

8 (i) 30% per year on that part of the unpaid balances of the amount financed that  
9 is ~~\$2,000~~ \$4,000 or less;

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

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

14 Notwithstanding paragraph A, with respect to a consumer loan in which the amount  
15 financed exceeds ~~\$8,000~~ \$12,000, a lender may not contract for and receive a finance  
16 charge calculated according to the actuarial method in excess of 18% per year on the  
17 entire amount of the loan.

18 **SUMMARY**

19 This bill updates the allowable finance charges on consumer loans by companies  
20 subject to the Department of Professional and Financial Regulation, Bureau of Consumer  
21 Credit Protection.