

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 1227**

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S. P. 509

In Senate, March 20, 1951.

Reported by Senator Ward of Penobscot from the Committee on Judiciary, ordered printed and recommitted to the Committee on Judiciary. Sent down for concurrence.

CHESTER T. WINSLOW, Secretary

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**STATE OF MAINE**

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-ONE

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**AN ACT Relating to Time Sales on Motor Vehicles.**

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

**Sec. 1. R. S., c. 56, § 264, amended.** The 1st sentence of section 264 of chapter 56 of the revised statutes is hereby amended to read as follows:

'Any person, firm or corporation **not under the supervision of the bank commissioner, except a savings bank, trust company, national bank, or any other bank which is under the supervision of the bank commissioner, the principal place of business and home office of which is in this state except a national bank,** desiring to conduct the business of financing time sales on motor vehicles shall annually make application to the commissioner for a license to conduct said business and said application shall be made on forms prepared and furnished by the commissioner and shall state such information as may be asked for thereon.'

**Sec. 2. R. S., c. 56, § 264-A, additional.** Chapter 56 of the revised statutes is hereby amended by adding thereto a new section to be numbered 264-A, to read as follows:

'**Sec. 264-A. Seller to itemize charges; penalty. It shall be unlawful for any person, firm or corporation to sell a motor vehicle as defined by**

section 1 of chapter 19 by an installment sale contract without having before the consummation of the sale furnished the buyer an itemization in writing signed by the seller separately disclosing to the purchaser the finance charge, insurance costs and other charges which are paid or to be paid by the purchaser.

The seller shall be deemed to have fully complied with the requirement of this section when he has furnished the purchaser, before consummation of the sale, an itemization in writing which clearly discloses:

- I. The delivered price of the motor vehicle, including accessories or extras, if any; and
- II. The amounts to be credited as down payment and trade-in, if any; and
- III. The time balance owed by the buyer to seller, the amount of each installment payment to be made by the buyer, and the number of such installment payments, and the due dates thereof; and
- IV. The cost of insurance, the coverage provided, and the party or parties to whom the insurance is payable; and
- V. The finance charge; and
- VI. Other charges making up the total consideration paid or to be paid by the purchaser, included in the time balance, the amounts and nature of each to be separately stated; or when all said required information is clearly set forth in the installment sales contract, chattel mortgage, or other instrument evidencing the purchase transaction, and a true copy of such instrument is furnished to the purchaser before or at the time of the execution thereof.

Provided, however, that subsections I, II, III, IV and V of this section need not be stated in the sequence or order above set forth and that additional items may be included which serve to explain the calculations involved in determining the stated time balance to be paid by the purchaser; and provided further, that when all the said required information is clearly set forth in an installment sales contract, chattel mortgage, or other instrument evidencing the purchase transaction, and a true copy of such instrument is furnished to the purchaser before or at the time of his execution thereof, no additional itemization need be furnished to the purchaser.

In the execution of an installment sale contract it shall be unlawful for the seller to procure the purchaser to sign a contract or receipt in blank to be filled in subsequently by the seller or financing institution; provided,

however, that where such a contract or receipt contains a clear and sufficient description of the motor vehicle fully adequate to identify it readily, than blanks for insertion of identifying serial numbers and marks when knowledge of such numbers or marks are not available to the seller at the time of execution of the contract need not be filled at the time of execution, provided that such identifying numbers and marks are subsequently inserted in the contract upon delivery of the motor vehicle.

Violation of this section shall be punished by a fine of not more than \$1,000, or by imprisonment for not more than 6 months, or by both such fine and imprisonment. Any person, firm or corporation knowingly financing installment sales contracts made in violation of this section, shall be subject to the same penalties; and any license or licenses issued to such person, firm or corporation to conduct the business of financing time sales on motor vehicles may be revoked.'