

# MAINE STATE LEGISLATURE

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LAWS  
OF THE  
STATE OF MAINE  
AS PASSED BY THE  
One Hundred and Sixth Legislature  
1ST SPECIAL SESSION  
JANUARY 2, 1974 TO MARCH 29, 1974  
AND BY THE  
One Hundred and Seventh Legislature  
REGULAR SESSION  
JANUARY 1, 1975 TO JULY 2, 1975

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN  
ACCORDANCE WITH THE REVISED STATUTES OF 1964, TITLE 3,  
SECTION 164, SUBSECTION 6.

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THE KNOWLTON AND McLEARY COMPANY  
FARMINGTON, MAINE  
1975

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PUBLIC LAWS  
OF THE  
STATE OF MAINE

AS PASSED BY THE  
One Hundred and Seventh Legislature

1975

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4. **Firearm.** "Firearm" shall include all instruments used in the propulsion of pellets, shot, shells or bullets by action of gunpowder or compressed air or gas exploded or released within them.

Effective October 1, 1975

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## CHAPTER 178

### AN ACT Prohibiting Increase of Finance Charges on Outstanding Balances of Open-end Accounts under the Consumer Credit Code.

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Title 9-A, section 3-204, subsection 2 of the Maine Consumer Credit Code permits creditors, as of January 1, 1975, to alter the terms of existing open-end credit accounts and thereby increase the interest charges on outstanding balances of goods, services or money secured prior to that date despite the fact that such an increase had never been authorized by prior agreements between the consumer and the creditor; and

Whereas, some creditors have already begun to utilize this device to the obvious disadvantage of Maine consumers; and

Whereas, the economic impact of this device will be felt by Maine consumers as early as March, 1975; and

Whereas, the following legislation is necessary to prevent such an unconscionable practice; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**9-A MRSA § 3-204, sub-§ 2**, as enacted by PL 1973, c. 762, § 1, is amended to read:

2. A creditor may change the terms of an open-end credit account whether or not the change is authorized by prior agreement. Except as provided in subsection 3, the ~~lender~~ creditor shall give to the consumer written notice of any change of terms relating to penalties, interest or other charges at least 3 times, with the first notice at least 3 months before the effective date of the change. **Any change of terms which would increase any penalty, interest or other charges may not affect outstanding balances incurred prior to the effective date of any such change unless:**

**A.** The creditor includes in the above described notice of change an offer to finance by a separate loan arrangement the outstanding unpaid balance as of the effective date of such change at the same rate of interest with the same repayment schedule as applies to such open-end credit account;

**B.** The consumer may accept such offer of said separate loan arrangement with respect to the then existing unpaid balance anytime prior to 30 days before the change is to become effective;

C. The creditor has legal authority to make such a loan;

D. No minimum finance charge is assessed nor prepayment penalty charged on such loan.

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective April 24, 1975

## CHAPTER 179

**AN ACT Concerning Annual Notification Fees under the Consumer Credit Code, Concerning a Lender Collecting and Enforcing Loans without a License, and Requiring the Payment of Certain Investigation Fees to the Superintendent of the Bureau of Consumer Protection.**

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

**Sec. 1.** 9-A MRSA § 2-301, sub-§ 2, as enacted by PL 1973, c. 762, § 1, is amended to read:

2. Taking assignments of and undertaking direct collection of payments from or enforcement of rights against debtors arising from supervised loans ~~but he may collect and enforce for 3 months without a license, if he promptly applies for a license and his application has not been denied.~~

**Sec. 2.** 9-A MRSA § 2-302, sub-§ 2, ¶ C is enacted to read:

C. Each applicant shall pay to the administrator all necessary and reasonable costs, not to exceed \$500, incurred by the administrator in making a determination that the applicant has fulfilled all of the requirements set forth in this subsection.

**Sec. 2-A.** 9-A MRSA § 2-302, sub-§ 6 is enacted to read:

6. Any supervised loan, otherwise valid under the provisions of this Act, made by any corporation or by any subsidiary or affiliate of any corporation to which a license is granted by the administrator on or before June 30, 1975, and to which said supervised loan is assigned, shall be deemed to have been made by a duly licensed licensee, provided the administrator finds that said corporation has made a good faith effort to comply with the licensing provisions of this Act.

**Sec. 3.** 9-A MRSA § 6-203, sub-§ 1, as enacted by PL 1973, c. 762, § 1, is amended to read:

1. A person required to file notification shall at the time he files such notification pay to the administrator an annual fee of \$10 for that year and an annual fee of \$5 for each branch thereof.

Effective October 1, 1975