

# 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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As used in this section the term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940 and prior to July 26, 1947, or at any time on or after April 6, 1917 and prior to November 11, 1918, or at any time on or after June 27, 1950 and prior to February 1, 1955, or at any time on or after August 5, 1964 ~~and the date on which hostilities are declared ended by the Congress or proclamation of the President~~ and before May 7, 1975, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940 and prior to July 26, 1947, or at any time on or after April 6, 1917 and prior to November 11, 1918, or at any time on or after June 27, 1950 and prior to February 1, 1955, or at any time between August 5, 1964 ~~and the date on which hostilities are declared ended by the Congress or proclamation of the President~~ and before May 7, 1975.

**Sec. 3.** 36 MRSA § 653, sub-§ 1, ¶ E, last 2 sentences, as enacted by PL 1967, c. 67, § 5, are repealed and the following enacted in place thereof:

A veteran of the Viet Nam War shall have served on active duty for a period of more than 180 days, any part of which occurred after August 4, 1964 and before May 7, 1975, except that if he died in service or was discharged for a service-connected disability after such date. The "Viet Nam War" shall mean that period between August 5, 1964 and May 7, 1975;

**Sec. 4.** 37-A MRSA § 28, sub-§ 3, last sentence, as enacted by PL 1971, c. 580, § 1, is amended to read:

A veteran of the Viet Nam War shall have served on active duty for a period of more than 180 days, any part of which occurred after August 4, 1964 and before May 7, 1975, except if he died in service or was discharged for a service-connected disability after such date.

**Sec. 5.** 37-A MRSA § 28, sub-§ 5, last sentence, as enacted by PL 1971, c. 580, § 1, is repealed and the following enacted in place thereof:

The term "Viet Nam War" shall mean that period between August 5, 1964 and May 7, 1975.

**Sec. 6.** 37-A MRSA § 45, sub-§ 10, 2nd sentence, as enacted by PL 1973, c. 600, § 1, is amended to read:

A veteran of the Viet Nam War shall have served on active duty for a period of more than 180 days, any part of which occurred after August 4, 1964 and before May 7, 1975, except if he was discharged for a service-connected disability after such date.

Effective October 1, 1975

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## CHAPTER 433

### AN ACT Relating to the Rebate of Unearned Finance Charges under the Maine Consumer Credit Code.

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

**Sec. 1.** 9-A MRSA § 2-510, as enacted by PL 1973, c. 762, § 1, is repealed and the following enacted in place thereof:

§ 2-510. Rebate upon prepayment

1. Except as provided in subsection 2, upon prepayment in full of the unpaid balance of a precomputed consumer credit transaction, an amount not less than the unearned portion of the finance charge calculated according to this section shall be rebated to the consumer. If the rebate otherwise required is less than \$1, no rebate need be made.

2. Upon prepayment in full, but not upon a refinancing, section 2-504, of a consumer credit transaction, whether or not precomputed, other than one pursuant to open-end credit, the creditor may collect or retain a minimum charge as permitted by section 2-201, subsection 6, and section 2-401, subsection 7, if the minimum charge was contracted for and the finance charge at the time of prepayment is less than the minimum charge contracted for.

3. In the following subsections these terms have the meanings ascribed to them in section 2-503, subsection 1: Computational period, deferral, deferral period, periodic balance, standard deferral, sum of the balances method and transaction.

4. If, with respect to a transaction payable according to its original terms in no more than 48 instalments, the creditor has made either:

**A.** No deferral or deferral charge, the unearned portion of the finance charge is no less than the portion thereof attributable according to the sum of the balances method to the period from the first day of the computational period following that in which prepayment occurs to the scheduled due date of the final instalment of the transaction; or

**B.** A standard deferral and a deferral charge pursuant to the provisions on a standard deferral, the unpaid balance of the transaction includes any unpaid portions of the deferral charge and any appropriate additional charges incident to the deferral, and the unearned portion of the finance charge is no less than the portion thereof attributable according to the sum of the balances method to the period from the first day of the computational period following that in which prepayment occurs except that the numerator of the fraction is the sum of the periodic balances, after rescheduling to give effect to any standard deferral, scheduled to follow the computational period in which prepayment occurs. A separate rebate of the deferral charge is not required unless the unpaid balance of the transaction is paid in full during the deferral period, in which event the creditor shall also rebate the unearned portion of the deferral charge.

5. In lieu of computing a rebate of the unearned portion of the finance charge as provided in subsection 4, the creditor:

**A.** Shall, with respect to a transaction payable according to its original terms in more than 48 instalments, and a transaction payable according to its original terms in no more than 48 instalments as to which the creditor has made a deferral other than a standard deferral; and

**B.** May, in other cases, recompute or redetermine the earned finance charge by applying, according to the actuarial method, the annual percentage rate of finance charge required to be disclosed to the consumer

pursuant to law to the actual unpaid balances of the amount financed for the actual time that the unpaid balances were outstanding as of the date of prepayment, giving effect to each payment, including payments of any deferral and delinquency charges, as of the date of the payment. The administrator shall adopt rules to simplify the calculation of the unearned portion of the finance charge, including allowance of the use of tables or other methods derived by application of a percentage rate which deviates by not more than  $\frac{1}{2}$  of 1% from the rate of the finance charge required to be disclosed to the consumer pursuant to law, and based on the assumption that all payments were made as originally scheduled or as deferred.

6. For transactions in which payments are not scheduled to be made in substantially equal instalments at equal periodic intervals, the administrator shall adopt rules consistent with this section providing for the calculation of the unearned portion of the finance charge.

7. Except as otherwise provided in subsection 5, this section does not preclude the collection or retention by the creditor of delinquency charges, section 2-502.

8. If the maturity is accelerated for any reason and judgment is entered, the consumer is entitled to the same rebate as if payment had been made on the date judgment is entered.

9. Upon prepayment in full of a precomputed consumer credit transaction by the proceeds of consumer credit insurance, section 4-103, the consumer or his estate is entitled to the same rebate as though the consumer had prepaid the agreement on the date the proceeds of insurance are paid to the creditor, but no later than 14 days after satisfactory proof of loss is furnished to the creditor.

**Sec. 2. Effective date.** Those portions of the provisions of this Act which prohibit the use of the sum of the balances method, as defined in section 2-510, subsection 4, paragraph B, and as prohibited in section 2-510, subsection 5, paragraph A, in computing the unearned portion of the finance charge on transactions payable in more than 48 instalments shall take effect on July 1, 1976, except where there has been a deferral other than a standard deferral.

Effective October 1, 1975. Except as Otherwise Indicated.

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## CHAPTER 434

AN ACT to Establish a Statute of Limitations with Regard to the Negligence of Design Professionals.

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

14 MRSA § 752-A is enacted to read:

§ 752-A. Design professionals

All civil actions for malpractice or professional negligence against architects or engineers duly licensed or registered under Title 32 shall be commenced within 4 years after such malpractice or negligence is discovered, but