

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND NINETEENTH LEGISLATURE

FIRST REGULAR SESSION
December 2, 1998 to June 19, 1999

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PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1999

CHAPTER 150

S.P. 546 - L.D. 1608

**An Act to Conform Maine's
Consumer Credit Laws to Federal
Law and Make Other Changes**

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

Sec. 1. 9-A MRSA §3-202, as repealed and replaced by PL 1981, c. 618, §7, is repealed and the following enacted in its place:

§3-202. Entitlement to copy of written agreement

When a written agreement that requires or provides for the signature of the consumer and that evidences a consumer credit transaction other than one pursuant to open-end credit, the consumer is entitled to a copy of the agreement upon consummation of the transaction or within a reasonable time thereafter in the case of transactions entered into by mail, telephone or electronic means.

Sec. 2. 9-A MRSA §3-204, sub-§2, as amended by PL 1983, c. 720, §11, is further 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 subsections 3 and 3-A, the creditor shall give to the consumer written notice of any change of terms relating to penalties, interest or other charges at least 30 days before the effective date of the change. Any Except in the case of an unsecured open-end credit account involving the use of a credit card, a change of terms which that 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 notice of change an offer to finance by a separate loan arrangement the outstanding unpaid balance as of the effective date of the change at the same rate of interest with the same repayment schedule as applies to that open-end credit account;
- B. The consumer may accept the offer of a separate loan arrangement with respect to the then existing unpaid balance anytime prior to 7 days before the change is to become effective;
- C. The creditor has legal authority to make such a loan; and
- D. No minimum finance charge is assessed nor prepayment penalty charged on the loan.

Sec. 3. 9-A MRSA §3-310, sub-§1, ¶¶A and D, as repealed and replaced by PL 1989, c. 457, §§3 and 9 and affected by c. 600, Pt. B, §§7 and 8, are amended to read:

A. With respect to a closed-end transaction secured by the consumer's principal dwelling with a term greater than one year, the information required under 12 Code of Federal Regulations, ~~Section 226.19(b) shall~~ must be disclosed at the time an application form is provided or before the consumer pays a nonrefundable fee, whichever is earlier. ~~At the same time, the consumer shall be informed in writing of the right to request a hypothetical calculation showing the effect on the transaction's other terms and schedule of payments if the annual percentage rate when the credit is extended were increased once by the maximum amount allowed at any one time. If the consumer requests the hypothetical calculation at or before the time of application, the hypothetical calculation shall be disclosed to the consumer in writing before the credit is extended. The creditor may calculate the hypothetical calculation using either the amortized balance or the original principal balance.~~

D. With respect to an open-end credit plan other than one described in paragraph B, the information required by 12 Code of Federal Regulations, ~~Section 226.6(a)(2) shall~~ must be disclosed before the first transaction under the plan. ~~The creditor shall disclose the amount of the increase in the finance charge that would apply if the interest rate applicable to the plan, as applied to a balance of \$1,000 for one month, were to increase by the lesser of 5% per year or the maximum amount allowed under the plan.~~

Sec. 4. 9-A MRSA §3-313, as enacted by PL 1987, c. 265, §1, is amended to read:

§3-313. Real estate appraisals; copies

Any A creditor which that imposes a fee on any a person for the cost of an appraisal of any real estate shall furnish to the person, at no cost, a one copy of the appraisal upon request, if the request is made within 90 days after the creditor has provided notice of action taken on the application for credit or the date of the closing, whichever is later, or 90 days after the application is withdrawn.

Sec. 5. 9-A MRSA §3-402, sub-§1, ¶B, as enacted by PL 1991, c. 237, is amended to read:

B. Notwithstanding section 2-507, reasonable charges incurred in realizing on a security interest in personal property securing a consumer loan, consumer lease or a consumer credit sale, other than attorney's fees; and

Sec. 6. 9-A MRSA §3-402, sub-§3 is enacted to read:

3. Notwithstanding subsections 1 and 2, a creditor that complies with Title 14, sections 6071 and 6073 is entitled to the remedies provided in those sections when an instrument that the creditor has taken in connection with a consumer loan, consumer lease or consumer credit sale is dishonored.

Sec. 7. 9-A MRSA §9-309, as enacted by PL 1987, c. 396, §12, is amended to read:

§9-309. Real estate appraisals; copies

Any A creditor which that imposes a fee on any a person for the cost of an appraisal of any real estate shall furnish to the person, at no cost, a one copy of the appraisal upon request, if the request is made within 90 days after the creditor has provided notice of action taken on the application for credit or the date of the closing, whichever is later, or 90 days after the application is withdrawn.

Sec. 8. 9-B MRSA §447, as enacted by PL 1987, c. 265, §2, is amended to read:

§447. Real estate appraisals; copies

Any A financial institution which that imposes a fee on any a person for the cost of an appraisal of any real estate shall furnish to the person, at no cost, a one copy of the appraisal upon request, if the request is made within 90 days after the financial institution has provided notice of action taken on the application for credit or the date of the closing, whichever is later, or 90 days after the application is withdrawn.

Sec. 9. 10 MRSA §1320, sub-§§2-A and 2-B, as enacted by PL 1991, c. 453, §4 and affected by §10, are repealed.

See title page for effective date.

CHAPTER 151

S.P. 592 - L.D. 1716

An Act to Amend the Petroleum Market Share Act

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

Sec. 1. 10 MRSA §1673, sub-§3, as amended by PL 1995, c. 627, §1, is further amended to read:

3. Repeal. This section is repealed September 1, ~~2000~~ 2005.

Sec. 2. 10 MRSA §1681, as amended by PL 1995, c. 627, §2, is further amended to read:

§1681. Fees

Annually by September 1st, a person who operates or causes to be operated an oil terminal facility within the State, as defined in Title 38, section 542, subsection 7, and a person who is required to register with the Commissioner of Environmental Protection pursuant to Title 38, section 545-B, shall pay to the Attorney General a fee for each 10,000 gallons of home heating oil and motor fuel oil transported into the State during the previous 12-month period ending June 1st. Home heating oil or motor fuel oil that is subsequently exported from the State is excluded from computation, except that home heating oil sold to a retailer or retail outlet located outside the State that sells home heating oil at retail within the State is not excluded. The fee that must be paid by September 1, 1996 and for each subsequent year is 40¢ for each 10,000 gallons or portion thereof. The fees must be deposited in a dedicated, nonlapsing account, known as the Petroleum Marketing Fund. The Attorney General shall administer the fund. This section is repealed September 1, ~~2000~~ 2005.

See title page for effective date.

CHAPTER 152

H.P. 691 - L.D. 958

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government and Highway Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2000 and June 30, 2001

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

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; 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 preserva-