

MAINE STATE LEGISLATURE

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CHAPTER 285

LOANS AND INTEREST

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§ 3081. Amount of loan and interest rate

Every person, copartnership and corporation licensed under chapters 281 to 289 may loan any sum of money, goods or choses in action not exceeding in amount or value the sum of \$2,500, any lower limitation of amount in its charter notwithstanding, and may charge, contract for and receive thereon interest at a rate not to exceed 3% per month on that part of the unpaid principal balance of any loan not in excess of \$150, 2½% per month on that part of the unpaid principal balance in excess of \$150, but not exceeding \$300, and 1½% per month on any remainder of such unpaid principal balance. A minimum charge of not exceeding 25¢ shall be allowable in all cases. No person shall owe any licensee at any time more than \$2,500 for principal. No licensee shall induce or permit any borrower to split up or divide any loan, and all sums owed by any person at any one time shall be considered as one contract of loan for the purpose of computing the interest payable thereon. No licensee shall induce or permit any person, nor any husband and wife, jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time, for the purpose or with the result of obtaining a higher rate of interest than would otherwise be permitted by this section.

R.S.1954, c. 59, § 217.

§ 3082. Interest; no additional charges except lawful fees

Interest, consideration or charges for the use of money payable under chapters 281 to 289 shall not be deducted or received in advance and shall be computed on unpaid principal balances. Such interest, consideration or charges shall not be compounded; provided that, if part or all of the principal amount of any loan contract is the unpaid principal balance of a prior loan, the unpaid

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interest, consideration or charges for the use of money on such prior loan which have accrued within 60 days before the making of such loan contract may be incorporated as interest bearing principal in the principal amount of such loan contract, and for the purposes of this section any such new loan shall be deemed a separate loan transaction. In addition to the interest provided for, no further or other charge or amount whatsoever for any examination, service, brokerage, commission or other thing, or otherwise, shall be directly or indirectly charged, contracted for or received, except insurance premiums and any gain or return to the licensee therefrom, and lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing or recording in any public office any instrument securing the loan, which fees may be collected when the loan is made, or at any time thereafter. If interest or charges in excess of those permitted by this section and section 3081 shall be charged, contracted for or received, the contract of loan shall be void and the licensee shall have no right to collect or receive any principal, interest or charges whatsoever.

R.S.1954, c. 59, § 218; 1963, c. 141, §§ 3, 3-A, 4.

§ 3083. Duties of lender

Every licensee shall:

1. Statement. Deliver to the borrower, at the time a loan is made, a statement in the English language showing in clear and distinct terms the amount and date of the loan and of its maturity, the nature of the security, if any, for the loan, the name and address of the borrower and of the licensee, and the rate of interest charged. Upon such statement there shall be printed in English a copy of sections 3081 and 3082;

2. Receipt. Give to the borrower a plain and complete receipt for all payments made on account of any such loan at the time such payments are made; and

3. Repayment of loan in full. Upon repayment of the loan in full, mark indelibly every paper signed by the borrower with the word "paid" or "canceled," and discharge any mortgage, restore any pledge, return any note and cancel any assignment given by the borrower as security.

R.S.1954, c. 59, § 219.

§ 3084. Restrictions on security

No licensee under chapters 281 to 289 shall take any confession of judgment or any power of attorney; nor shall he take any note, promise to pay or security that does not state the actual amount of the loan, the time for which it is made and the rate of interest charged, nor any instrument in which blanks are left to be filled after execution.

R.S.1954, c. 59, § 220.

§ 3085. Assignments of wages

No assignment of any salary or wages, earned or to be earned, given to secure a loan made under chapters 281 to 289 shall be valid unless in writing signed in person by the borrower; nor, if the borrower is married, unless it shall be signed in person by both husband and wife; nor shall such assignment be valid unless given to secure a debt contracted simultaneously with its execution. All such assignments shall be subject to Title 26, section 627.

R.S.1954, c. 59, § 221.

§ 3086. Maximum interest; evasions

No person, copartnership or corporation, except as authorized by chapters 281 to 289, shall, directly or indirectly, charge, contract for or receive any interest or consideration greater than 12% per year upon the loan, use or forbearance of money, goods or choses in action, or upon the loan, use or sale of credit, of the amount or value of \$2,500 or less. This prohibition shall apply to any person who, as security for any such loan, use or forbearance of money, goods or choses in action, or for any such loan, use or sale of credit, makes a pretended purchase of property from any person and permits the owner or pledgor to retain the possession thereof, or who, by any device or pretense of charging for his services, or otherwise, seeks to obtain a greater compensation than is authorized by chapters 281 to 289.

R.S.1954, c. 59, § 222.