

MAINE STATE LEGISLATURE

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*State Of Maine
120th Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Banking and Insurance*

August 2001

Members:

*Sen. Lloyd P. LaFountain III, Chair
Sen. I. Joel Abromson
Sen. Neria R. Douglass*

*Rep. Christopher P. O'Neil, Chair
Rep. Benjamin F. Dudley
Rep. Nancy B. Sullivan
Rep. Marilyn E. Canavan
Rep. Lisa T. Marrache
Rep. William J. Smith
Rep. Arthur F. Mayo III
Rep. Kevin J. Glynn
Rep. Florence T. Young
Rep. John M. Michael*

Staff:

Colleen McCarthy Reid, Legislative Analyst

*Office of Policy and Legal Analysis
13 State House Station
Augusta, ME 04333
(207) 287-1670*



**Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

**120th Legislature
First Regular Session**

**Summary Of Legislation Before The Joint Standing Committees
August 2001**

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CARRIED OVER..... *Bill Carried Over to Second Regular Session*
CON RES XXX..... *Chapter # of Constitutional Resolution passed by both Houses*
CONF CMTE UNABLE TO AGREE..... *Committee of Conference unable to agree; bill died*
DIED BETWEEN BODIES..... *House & Senate disagree; bill died*
DIED IN CONCURRENCE..... *One body accepts ONTP report; the other indefinitely postpones the bill*
DIED ON ADJOURNMENT..... *Action incomplete when session ended; bill died*
EMERGENCY..... *Enacted law takes effect sooner than 90 days*
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... *Emergency bill failed to get 2/3 vote*
FAILED ENACTMENT/FINAL PASSAGE..... *Bill failed to get majority vote*
FAILED MANDATE ENACTMENT..... *Bill imposing local mandate failed to get 2/3 vote*
NOT PROPERLY BEFORE THE BODY..... *Ruled out of order by the presiding officers; bill died*
INDEF PP..... *Bill Indefinitely Postponed*
ONTP..... *Ought Not To Pass report accepted*
OTP ND..... *Committee report Ought To Pass In New Draft*
OTP ND/NT..... *Committee report Ought To Pass In New Draft/New Title*
P&S XXX..... *Chapter # of enacted Private & Special Law*
PUBLIC XXX..... *Chapter # of enacted Public Law*
RESOLVE XXX..... *Chapter # of finally passed Resolve*
UNSIGNED..... *Bill held by Governor*
VETO SUSTAINED..... *Legislature failed to override Governor's Veto*

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is **September 21, 2001**.

David E. Boulter, Director
Offices Located in the State House, Rooms 101/107/135

Joint Standing Committee on Banking and Insurance

LD 1736

An Act to Amend Maine Credit Laws

PUBLIC 371

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SULLIVAN	OTP-AM MAJ	H-275
DOUGLASS	OTP-AM MIN	

LD 1736 was submitted on behalf of the Department of Professional and Financial Regulation.

LD 1736 proposed to amend various laws administered by the Office of Consumer Credit Regulation. The bill clarifies that transactions entered into following electronic mail solicitations by lenders and creditors are subject to the Maine Consumer Credit Code. The bill excludes limited-purpose financial institutions from certain provisions of the Maine Consumer Credit Code. The bill grants to the Director of the Office of Consumer Credit Regulation the power to issue a temporary order suspending the license of a supervised lender under circumstances in which delaying such an order would result in harm to consumers.

Committee Amendment "B" (H-275) was the minority report of the committee. The amendment proposed to clarify that the Maine Consumer Credit Code applies to home equity loans with a finance charge that does not exceed 12 1/4% made by banks and credit unions on or after January 1, 2002. Current law applies to home equity loans made by mortgage companies. Unlike Committee Amendment "A", the amendment did not propose to remove the requirement for legislative review and confirmation of the Director of the Office of Consumer Credit Regulation.

The amendment also added a fiscal note to the bill.

Committee Amendment "A" (H-274) was the majority report of the committee. The amendment proposed to clarify that the Maine Consumer Credit Code applies to home equity loans with a finance charge that does not exceed 12 1/4% made by banks and credit unions on or after January 1, 2002. Current law applies to home equity loans made by mortgage companies. The amendment also removed the requirement for legislative review and confirmation of the Director of the Office of Consumer Credit Regulation.

The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.

Enacted law summary

Public Law 2001, chapter 371 amends various laws administered by the Office of Consumer Credit Regulation. The law clarifies that transactions entered into following electronic mail solicitations by lenders and creditors are subject to the Maine Consumer Credit Code. It excludes limited-purpose financial institutions from certain provisions of the Maine Consumer Credit Code. The law grants to the Director of the Office of Consumer Credit Regulation the power to issue a temporary order suspending the license of a supervised lender under circumstances in which delaying such an order would result in harm to consumers.

Public Law 2001, chapter 371 also clarifies that the Maine Consumer Credit Code applies to home equity loans with a finance charge that does not exceed 12 1/4% made by banks and credit unions on or after January 1, 2002. Current law applies to home equity loans made by mortgage companies.