



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 602

H.P. 421

House of Representatives, February 21, 2013

An Act Regarding the Regulation of Consumer Finance Companies

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BECK of Waterville.
Cosponsored by Senator CAIN of Penobscot and
Representatives: CASAVANT of Biddeford, GOODE of Bangor, HAYES of Buckfield,
HOBBINS of Saco, Senators: President ALFOND of Cumberland, KATZ of Kennebec,
THIBODEAU of Waldo, WHITTEMORE of Somerset.

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

2 **Sec. 1. 9-A MRSA §2-401, sub-§2**, as amended by PL 1997, c. 727, Pt. B, §10,
3 is further amended to read:

4 **2.** With respect to a consumer loan, other than a loan pursuant to open-end credit, a
5 lender may contract for and receive a finance charge calculated according to the actuarial
6 method, not exceeding the equivalent of the following:

7 A. The total of:

8 (i) 30% per year on that part of the unpaid balances of the amount financed that
9 is ~~\$2,000~~ \$4,000 or less;

10 (ii) 24% per year on that part of the unpaid balances of the amount financed that
11 is more than ~~\$2,000~~ \$4,000 but does not exceed ~~\$4,000~~ \$8,000; and

12 (iii) 18% per year on that part of the unpaid balances of the amount financed that
13 is more than ~~\$4,000~~ \$8,000.

14 Notwithstanding paragraph A, with respect to a consumer loan in which the amount
15 financed exceeds ~~\$8,000~~ \$12,000, a lender may not contract for and receive a finance
16 charge calculated according to the actuarial method in excess of 18% per year on the
17 entire amount of the loan.

18 **SUMMARY**

19 This bill updates the allowable finance charges on consumer loans by companies
20 subject to the Department of Professional and Financial Regulation, Bureau of Consumer
21 Credit Protection.