



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 522

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S.P. 205

In Senate, February 24, 2021

### An Act To Cap Interest Rates for Consumer Debt

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Received by the Secretary of the Senate on February 22, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator BENNETT of Oxford.

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

2 **Sec. 1. 9-A MRSA §2-201, sub-§2**, as amended by PL 1997, c. 727, Pt. B, §3, is  
3 further amended to read:

4 2. The finance charge, calculated according to the actuarial method, may not exceed  
5 the equivalent of the greater of either of the following: 15% per year on the unpaid balance  
6 of the amount financed.

7 A. ~~The total of:~~

8 (i) ~~30% per year on that part of the unpaid balances of the amount financed that is~~  
9 ~~\$1,000 or less;~~

10 (ii) ~~21% per year on that part of the unpaid balances of the amount financed that~~  
11 ~~is more than \$1,000 but does not exceed \$2,800; and~~

12 (iii) ~~15% per year on that part of the unpaid balances of the amount financed that~~  
13 ~~is more than \$2,800; or~~

14 B. ~~18% per year on the unpaid balances of the amount financed.~~

15 **Sec. 2. 9-A MRSA §2-201, sub-§9-A**, as amended by PL 1999, c. 699, Pt. D, §2  
16 and affected by §30, is further amended to read:

17 9-A. Notwithstanding any other provision of law, the finance charge on a consumer  
18 credit sale of a motor vehicle, ~~as defined in this section~~, that is sold on or after January 1,  
19 1994 may not exceed ~~48%~~ 15% per year on the unpaid balance of the amount financed.  
20 For the purposes of this section, "motor vehicle" means any self-propelled vehicle not  
21 operated exclusively on tracks, except agricultural machinery and any other devices that  
22 do not constitute consumer goods, as defined in Title 11, section 9-1102, subsection (23).

23 **Sec. 3. 9-A MRSA §2-201, sub-§10, ¶B**, as repealed and replaced by PL 1983, c.  
24 87, §1, is amended to read:

25 B. ~~48%~~ Fifteen percent per year.

26 **Sec. 4. 9-A MRSA §2-202, sub-§7**, as amended by PL 2011, c. 427, Pt. A, §5, is  
27 further amended to read:

28 7. Unless otherwise provided for in Article 8-A, with respect to consumer credit sales  
29 made pursuant to a credit card, other than a lender credit card, a creditor may not impose a  
30 finance charge if it is in excess of ~~that set forth in the agreement between the consumer and~~  
31 ~~the creditor~~ 15% per year on the unpaid balance on the credit card.

32 **Sec. 5. 9-A MRSA §2-401, sub-§2**, as amended by PL 1997, c. 727, Pt. B, §10, is  
33 further amended to read:

34 2. With respect to a consumer loan, other than a loan pursuant to open-end credit, a  
35 lender may not contract for and receive a finance charge calculated according to the  
36 actuarial method, ~~not exceeding the equivalent of the following:~~ in excess of 15% per year  
37 on the entire amount financed.

38 A. ~~The total of:~~

39 (i) ~~30% per year on that part of the unpaid balances of the amount financed that is~~  
40 ~~\$2,000 or less;~~

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

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

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

9 **Sec. 6. 9-A MRSA §2-401, sub-§8, ¶B**, as enacted by PL 1983, c. 87, §2, is  
10 amended to read:

11 B. ~~18%~~ Fifteen percent per year.

12 **Sec. 7. 9-A MRSA §2-401, sub-§9**, as enacted by PL 1985, c. 763, Pt. A, §33, is  
13 amended to read:

14 **9.** Notwithstanding any other subsection, the finance charge on an insurance premium  
15 loan may not exceed ~~18%~~ 15% per year on the unpaid balances of the amount financed,  
16 except for any minimum charge that may be allowed pursuant to subsection 7.

17 **Sec. 8. 9-A MRSA §2-402, sub-§5**, as amended by PL 2011, c. 427, Pt. A, §6, is  
18 further amended to read:

19 **5.** Unless otherwise provided for in Article 8-A, with respect to loans made pursuant  
20 to a lender credit card, a creditor may not impose a finance charge ~~if it~~ that is in excess of  
21 ~~that set forth in the agreement between the consumer and the creditor~~ 15% per year. This  
22 ~~subsection does not apply to open-end credit plans secured by a consumer's principal~~  
23 ~~dwelling or by a 2nd or vacation home of the consumer.~~

24 **Sec. 9. 9-A MRSA §2-601**, as enacted by PL 1973, c. 762, §1, is amended to read:  
25 **§2-601. Finance charge for other credit transactions**

26 Except where otherwise provided by law with respect to a credit transaction other than  
27 a consumer credit transaction, the parties may not contract for the payment by the debtor  
28 of any finance charge that is in excess of 15% per year on the entire amount financed.

## 29 SUMMARY

30 This bill caps interest rates on consumer loans, including credit cards, at 15%.