

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill in Part A by striking out all of section 2 and inserting the following:

Sec. A-2. 9-A MRSA §1-301, sub-§17, as amended by PL 2017, c. 106, §1, is further amended to read:

17. "Creditor" means a person who both:

A. Regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit that is payable by agreement in more than 4 installments or for which the payment of a finance charge is or may be required; and

B. Is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement; except that, in the case of an open-end credit plan involving a credit card, the card issuer and any person who honors the credit card and offers a discount that is a finance charge are creditors.

For the purpose of the requirements imposed under Article 8-A for credit billing pursuant to 15 United States Code, Section 1666 et seq. and for open-end consumer credit pursuant to 15 United States Code, Section 1637(a)(5), (a)(6), (a)(7), (b)(1), (b)(2), (b)(3), (b)(8) and (b)(10), "creditor" also includes card issuers whether or not the amount due is payable by agreement in more than 4 installments or the payment of a finance charge is or may be required and the administrator shall by regulation apply these requirements to those card issuers, to the extent appropriate, even though the requirements are by their terms applicable only to creditors offering open-end credit plans.

For the purposes of this Title, "creditor" also includes any person who originates 2 or more mortgages referred to as high-cost mortgage loans under Article 8-A, section 8-506 in any 12-month period or any person who originates one or more such mortgage loans through a mortgage broker as defined in Article 8-A, section 8-506, subsection 1, paragraph J, or a loan broker as defined in Article 10.

For purposes of this Title, "creditor" also includes a private educational lender as that term is defined in 15 United States Code, Section 1650.

~~A~~Except with respect to credit sales of automobiles, a person regularly extends consumer credit only if the person extended credit other than credit subject to high-cost mortgage loan requirements more than 25 times or more than 5 times for transactions secured by a dwelling in the preceding calendar year. With respect to credit sales of automobiles, a person regularly extends consumer credit if the person extended credit more than 15 times in the preceding calendar year. If a person did not meet these numerical standards in the preceding calendar year, the numerical standards must be applied to the current calendar year.

"Creditor" includes a mortgage loan servicer.'

Amend the bill in Part A by striking out all of sections 9 and 10.

Amend the bill by striking out all of Part B.

Amend the bill in Part D by striking out all of section 2 and inserting the following:

'**Sec. D-2. 14 MRSA §6111, sub-§3-B**, as enacted by PL 2009, c. 402, §13, is amended to read:

3-B. Report. On a ~~quarterly~~an annual basis, the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection shall report to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters on the number of notices received pursuant to subsection 3-A. To the extent information is available, the report must also include information on the number of foreclosure filings based on data collected from the court and the Department of Professional and Financial Regulation, Bureau of Financial Institutions and on the types of lenders that are filing foreclosures.'

Amend the bill in Part D by striking out all of section 3.

Amend the bill in Part D by striking out all of section 4 and inserting the following:

'**Sec. D-4. 14 MRSA §6112, sub-§5**, as enacted by PL 2009, c. 402, §15, is amended to read:

5. Report. ~~Beginning January 1, 2010, the~~The Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection shall report ~~every 6 months~~annually on the revenues received pursuant to subsection 4, the expenditures made to carry out the purposes of this section, any financial orders submitted by the bureau and any updated assumptions related to the bureau's revenues and expenditures in accordance with this section. The report must be submitted to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters.'

Amend the bill by inserting after Part D the following:

PART E

Sec. E-1. 32 MRSA §11013, sub-§11 is enacted to read:

11. Collection action prohibited on debt from medical expenses if eligible for free or charity care. A debt collector may not collect or attempt to collect a debt from medical expenses against a consumer who has been determined to be qualified for free or charity care under guidelines adopted pursuant to Title 22, section 1716, or against a consumer who would have been determined to be qualified for free or charity care under guidelines adopted pursuant to Title 22, section 1716 but did not apply for good cause.

PART F

Sec. F-1. 32 MRSA §11019, sub-§1, as enacted by PL 2017, c. 216, §6, is amended to read:

1. Complaint; required allegations. A debt buyer may not initiate a collection action against a consumer, ~~including an action brought in small claims court pursuant to Title 14, chapter 738,~~ unless the debt buyer alleges all of the following information in the complaint:

- A. The information described in section 11013, subsection 9, including that the debt buyer possesses the documentation described in section 11013, subsection 9;
- B. The basis for any interest and fees described in section 11013, subsection 9;
- C. The basis for the request for attorney's fees, if applicable;
- D. That the debt buyer is the current owner of the debt; and
- E. That the cause of action is filed within the applicable statute of limitations period.

Sec. F-2. 32 MRSA §11020 is enacted to read:

§ 11020. Collection action to collect credit card and student loan debts; additional requirements for collection action

1. Applicability. This section applies to any collection action against a consumer to collect a credit card or student loan debt initiated by a debt collector.

2. Commencement of collection action. A collection action may not be commenced in small claims court pursuant to Title 14, chapter 738. A collection action is commenced upon the filing or serving of a complaint that provides notice of the complaint in the same manner as other civil complaints and satisfies the requirements of this section.

3. Notice of complaint. In a collection action subject to this section, the debt collector shall attach to the front of the complaint a one-page form notice to the consumer as developed by the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection. The form notice must be written in language that is plain and readily understandable by the general public and, at a minimum, must contain the following:

- A. A statement that failure to answer the complaint may result in entry of judgment in the amount demanded by the debt collector; and
- B. A sample answer and an explanation that the consumer may fill out the form and return it to the court as the answer to the complaint. If the consumer returns the form to the court, the consumer does not need to file a more formal answer or responsive pleading.

4. Entry of judgment. A court may not enter judgment unless it specifically finds that all the requirements of this section and all other applicable requirements of this chapter are met, including, but not limited to, whether the plaintiff has produced evidence that is admissible pursuant to the Maine Rules of Evidence on all required elements of its claim.

5. Default judgment. If the defendant has failed to plead or otherwise defend, the plaintiff may apply for entry of default and a default judgment. The court is responsible for entering a default and a default judgment, not the clerk of the court. Regardless of whether the defendant appears in the action or the judgment is based on a proposed order concerning a settlement, the court may not enter judgment in favor of the plaintiff unless the court determines that all the requirements of this section and all other applicable requirements of this chapter are met, including, but not limited to, whether the plaintiff has produced evidence admissible pursuant to the Maine Rules of Evidence on all required elements of its claim.

6. Exclusion. This section does not apply to any collection action brought by a supervised financial organization as defined in Title 9-A, section 1-301, subsection 38-A.

7. Rules. The court may adopt rules necessary to implement the provisions of this section.

Sec. F-3. 32 MRSA §11031, sub-§2, as amended by PL 2009, c. 243, §6, is further amended to read:

2. Licenses. Licenses granted by the superintendent under this section are for a period of 2 years and expire on July 31st or at such other times as the superintendent may designate. Each license may be renewed biennially as long as the superintendent regards the business as responsible and safe, but in all cases terminate unless renewed by the expiration date. Each license must plainly state the name and business address of the licensee and be posted in a conspicuous place in the office where the business is transacted. The fee for each biennial license is \$600. When the unexpired license term of an applicant is or will be less than one year at a time of licensure, the license fee may not exceed 1/2 the biennial license fee. The superintendent may permit affiliated companies to be under a single license and subject to a single examination as long as all of the affiliated company names are listed on the license. The superintendent may adopt rules to determine what constitutes an affiliated company. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. If a licensee desires to carry on business in more than one place, the licensee shall procure a branch office license for each additional place where the business is to be conducted. The fee for each biennial branch office license is \$300. Notwithstanding other remedies available under this chapter, applications received after the due date are subject to an additional fee of \$100.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment is the minority report of the committee. The amendment incorporates all of the changes in the majority report, except that it retains a provision in Part A of the bill authorizing the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation to lower or suspend fees by order.

FISCAL NOTE REQUIRED

(See attached)