



James Libby, Ph.D.
Senator, District 22

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

Testimony of Senator James D. Libby
Sponsor of L.D. 201, "An Act to Establish a Limit on the Interest Rate Charged for Revolving Loans"

Joint Standing Committee on Health Coverage, Insurance, and Financial Services.
Public Hearing: Tuesday, February 4, 2025
Cross Building, Room 220

Senator Bailey, Representative Mathieson, and esteemed members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services.

My name is Jim Libby, and I am a State Senator representing Senate District # 22, comprised of the towns of Naples, Sebago, Baldwin, and Standish in Cumberland County; Hiram and Porter in Oxford County; and, Limington, Limerick, Cornish, Parsonsfield, Newfield, Acton, and Shapleigh, in the County of York.

It is my honor to bring to your attention the contents of L.D. 201, "Establish a Limit on the Interest Rate Charged for Revolving Loans."

Maine's current law caps the interest rate at 30%. Some states are above this rate, and some states do not have a cap on rates. However, Vermont and New York both have rates that are near this proposed 24.9% cap.

I was a member of the House back in the 1990's when M.B.N.A. considered coming to Maine. Their request was to raise the cap, which I believe at the time was 15% or thereabouts. M.B.N.A. was a good company while they were here in Maine, and they certainly became an important part of the communities that they served.

However, this is one of the votes that if I could, I would like to take back. The current rate of 30% is a burden on Maine people. Although some states have higher rates, I feel that this rate takes advantage of constituents in my district.

Thank you.