

**Testimony of Amanda Johnson for the Maine State Chamber of Commerce
Before the Joint Standing Committee on Health Coverage, Insurance and Financial
Services Committee**

“An Act to Provide Additional Financing Options to Consumers in the State”

LD 2056

February 3, 2026

Senator Bailey, Representative Mathieson, and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, my name is Amanda Johnson. I am here on behalf of the Maine State Chamber of Commerce, representing more than 5,000 employers across the state. I am here today to express our support for LD 2056.

Currently, Maine law requires that consumer credit payments be substantially equal. While well-intentioned, this rule has the unintended effect of limiting flexible, simple interest financing options that are widely available in many other states. This means Mainers have fewer choices and often face higher monthly payments, particularly when purchasing a vehicle, compared to consumers elsewhere.

Importantly, Maine law already allows lenders to extend loan terms to lower monthly payments, but this often comes at the cost of paying significantly more in interest over time. Unfortunately, this has become a more common financing option for auto loans, as the affordability of buying a new or used vehicle has become a challenge for Maine residents.

LD 2056 offers a more innovative approach: it allows modest variation in payment amounts for simple interest loans, so long as no payment exceeds 50 percent of any other payment. This gives consumers short-term relief when they need it most, without increasing the total cost of credit. It might be the difference for consumers to access a car that is an absolute imperative for a job in Maine. This bill does not weaken consumer protection. It does not permit balloon payments, hidden fees, prepayment penalties, or unfair lending practices.

States that already allow this type of flexible financing model, similar to traditional loans, show that consumer protection remains strong.

Allowing this modest flexibility has real, tangible benefits:

- It improves affordability, especially in the early years of a loan when families are juggling other expenses.
- It preserves access to simple, transparent financing options that are easy to understand.

- It reduces unnecessary regulatory barriers that discourage lenders from offering competitive products in Maine.
- It empowers consumers to choose payment structures that fit their income and financial goals.

By clarifying and modernizing Maine's consumer credit laws, LD 2056 would align our state with many others, ensure Mainers have fair access to responsible financing, and maintain strong consumer protections; for these reasons, the Maine State Chamber of Commerce urges you to support LD 2056.

Thank you for your time and consideration.