

§2-502. Delinquency charges

1. A creditor may contract for and receive a delinquency charge on any outstanding, unpaid installment payment or portion of such payment due under a consumer credit transaction or open-end credit plan not paid in full within 15 days after its scheduled or deferred due date in an amount not exceeding the greater of:

A. An amount, not exceeding \$10, that is 5% of the unpaid amount of the installment; or [PL 2003, c. 100, §2 (AMD).]

B. The deferral charge, section 2-503, that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent. [PL 1999, c. 184, §4 (AMD).]
[PL 2003, c. 100, §2 (AMD).]

2. A delinquency charge under paragraph A of subsection 1 may be collected only once on an instalment however long it remains in default. No delinquency charge may be collected with respect to a deferred instalment unless the instalment is not paid in full within 15 days after its deferred due date. A delinquency charge may be collected at the time it accrues or at any time thereafter.
[PL 1973, c. 762, §1 (NEW).]

3.
[PL 2003, c. 135, §1 (RP).]

3-A. In connection with collecting a debt, a delinquency charge under subsection 1, paragraph A may not be collected on a payment if the only delinquency is attributable to late fees or delinquency charges assessed on earlier installments, and the payment is otherwise a full payment for the applicable period and is paid on its due date, or within the applicable grace period. For the purposes of this subsection, "collecting a debt" means any activity, other than the use of judicial process, that is intended to bring about or does bring about repayment of all or part of the money due or alleged to be due from a consumer.
[PL 2003, c. 135, §2 (NEW).]

4. If 2 instalments or parts thereof of a precomputed consumer loan are in default for 15 days or more, the lender may elect to convert the loan from a precomputed loan to one in which the finance charge is based on unpaid balances. In this event the lender shall make a rebate pursuant to the provisions on rebate upon prepayment, section 2-510, as of the maturity date of the first delinquent instalment, and thereafter may make a finance charge as authorized by the provisions on loan finance charge for consumer loans, section 2-401. The amount of the rebate may not be reduced by the amount of any permitted minimum charge, section 2-510. If the creditor proceeds under this subsection, any delinquency or deferral charges made with respect to instalments due at or after the maturity date of the first delinquent instalment must be rebated, and further delinquency or deferral charges may not be made.
[RR 2025, c. 1, Pt. C, §11 (COR).]

5.
[PL 1997, c. 727, Pt. B, §12 (RP).]

6.
[PL 1981, c. 618, §5 (RP).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1975, c. 268 (AMD). PL 1977, c. 564, §44 (AMD). PL 1981, c. 281, §1 (AMD). PL 1981, c. 293, §2 (AMD). PL 1981, c. 618, §5 (AMD). PL 1985, c. 763, §§A34,35 (AMD). PL 1987, c. 129, §47 (AMD). PL 1997, c. 727, §B12 (AMD). PL 1999, c.

184, §4 (AMD). PL 2003, c. 100, §2 (AMD). PL 2003, c. 135, §§1,2 (AMD). RR 2025, c. 1, Pt. C, §11 (COR).

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