

§5-110. Notice of consumer's right to cure

1. With respect to a consumer credit transaction, after a consumer has been in default for 10 days for failure to make a required payment and has not voluntarily surrendered possession of goods that are collateral, a creditor may give the consumer the notice described in this section. For purposes of this section, goods that are collateral shall include any right of setoff that the creditor may have.

A creditor gives notice to the consumer under this section by mailing the notice to the consumer's last known address:

A. By certified mail, return receipt requested. For purposes of this paragraph, the time when notice is given shall be the date the consumer signs the receipt or, if the notice is undeliverable, the date the post office last attempts to deliver it; or [PL 1979, c. 417, §2 (NEW).]

B. By ordinary mail. For purposes of this paragraph, the time when notice is given shall be the date the consumer receives it. A post office department certificate of mailing to the consumer shall be conclusive proof of receipt on the 3rd calendar day after mailing. [PL 1979, c. 417, §2 (NEW).]

[PL 1985, c. 336, §8 (AMD).]

2. Except as provided in subsection 3, the notice shall be in writing and shall conspicuously state the name, address and telephone number of the creditor to whom payment is to be made, a brief identification of the credit transaction, the consumer's right to cure the default and the amount of payment and date by which payment must be made to cure the default. A notice in substantially the following form complies with this subsection:

(Name, address and telephone number of creditor)

(Account number, if any)

(Brief identification of credit transaction)

(Date) is the LAST DAY FOR PAYMENT

(Amount) is the AMOUNT NOW DUE

You are late in making your payment(s). If you pay the AMOUNT NOW DUE (above) by the LAST DAY FOR PAYMENT (above), you may continue with the contract as though you were not late. If you do not pay by that date, we may exercise our rights under the law.

If you are late again within the next 12 months in making your payments, we may exercise our rights without sending you another notice like this one. If you have questions, write or telephone the creditor promptly.

[PL 1985, c. 336, §9 (AMD).]

2-A. If a consumer credit transaction is secured by a motor vehicle, the notice must conform to the requirements of subsection 2, except that the following paragraph must be included between the penultimate paragraph and the final paragraph:

The rights we may exercise under law include repossession of the motor vehicle securing this debt. If the motor vehicle is repossessed, either involuntarily or voluntarily, it may be sold and you may owe the difference between the net proceeds from the sale and the remaining balance due under the contract.

This subsection applies only to notices sent on or after January 1, 2004.

[PL 2003, c. 98, §1 (NEW).]

3. If the consumer credit transaction is an insurance premium loan, the notice shall conform to the requirements of subsection 2 and a notice in substantially the form specified in that subsection complies with this subsection, except for the following:

A. In lieu of a brief identification of the credit transaction, the notice shall identify the transaction as an insurance premium loan and each insurance policy or contract that may be cancelled; [PL 1985, c. 763, Pt. A, §42 (AMD).]

B. In lieu of the statement in the form of notice specified in subsection 2 that the creditor may exercise the creditor's rights under the law, the statement that each policy or contract identified in the notice may be cancelled; and [RR 2025, c. 1, Pt. C, §37 (COR).]

C. The last paragraph of the form of notice specified in subsection 2 shall be omitted. [PL 1975, c. 429, §2 (RPR).]
[RR 2025, c. 1, Pt. C, §37 (COR).]

4. If the goods that are collateral in a consumer credit transaction include a right of setoff, the notice shall conform to the requirements of subsection 2 and a notice in substantially the form specified in that subsection complies with this subsection, except for the following:

A. The 3rd sentence in the next to the last paragraph of the form of notice specified in subsection 2 shall read: If you do not pay by that date, we may exercise our rights under the law, including the right to set off funds in your checking or savings accounts with us against the balance on this delinquent account; and [PL 1979, c. 402 (NEW).]

B. The first sentence in the last paragraph of the form of notice shall read: If you are late again within the next 12 months in making your payments, we may exercise our rights, including the right of setoff, without sending you another notice like this one. [PL 1985, c. 336, §10 (AMD).]
[PL 1985, c. 336, §10 (AMD).]

5.

[PL 1981, c. 618, §8 (RP).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1975, c. 429, §2 (RPR). PL 1977, c. 159, §2 (AMD). PL 1979, c. 402 (AMD). PL 1979, c. 417, §§1,2 (AMD). PL 1981, c. 281, §4 (AMD). PL 1981, c. 618, §8 (AMD). PL 1985, c. 336, §§8-10 (AMD). PL 1985, c. 763, §A42 (AMD). PL 2003, c. 98, §1 (AMD). RR 2025, c. 1, Pt. C, §37 (COR).

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