

## **LD 1119, An Act To Limit Credit Card Fees by Requiring Monthly Credit Card Billing**

### **SUMMARY:**

This bill requires the issuer of a credit card to bill once per month a holder of a credit card who has a balance due on that credit card. The bill provides that the issuer of a credit card may not bill more than once per month such a holder. The issuer of a credit card that bills such a holder more than 12 times in a calendar year forfeits the balance on that holder's credit card and may not report negative information related to that forfeiture to a credit bureau.

**TESTIMONY:** Written testimony can be found [here](#).

### **CURRENT LAW:**

[Maine's Truth-in-Lending Act](#) incorporates the requirements of federal law. Under federal law and regulations, payment due dates must fall on the same day each month and credit card holders must receive a monthly bill at least 21 days before it is due. Federal law also includes exceptions for situations when a monthly statement is not required to be sent.

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### **ISSUES FOR CONSIDERATION:**

1. As drafted, the bill only applies to financial institutions (banks and credit unions) that are organized under a state-charter. Financial institutions may be organized and regulated under a state or federal charter. The application of the bill's requirements to federally-chartered financial institutions doing business in Maine would likely be preempted as noted in written information from the Bureau of Financial Institutions (NOR), the Maine Bankers Association (OPP) and Maine Credit Union League (OPP). State laws that are expressly preempted include those relating to the "terms of the credit, including the schedule for repayment of principal and interest...."12 C.F.R. § 7.4008. Consider that if the bill were enacted, it would likely not apply to all banks and credit unions operating in Maine.
2. As drafted, bill proposes that if a bill is sent more than 12 times in a calendar year that the issuer forfeits the balance on the credit card. Consider financial effect on banks and credit unions?
3. How would this proposal impact credit score boosting programs that encourage more than one monthly payment in certain situations?

**FISCAL INFORMATION:** Not yet determined