



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF FINANCIAL INSTITUTIONS
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SUPERINTENDENT

April 7, 2021

Senator Heather Sanborn, Chair
Representative Denise Tepler, Chair
Joint Standing Committee on Health Coverage, Insurance, and Financial Services
100 State House Station
Augusta, ME 04333

RE: LD 1119, An Act To Limit Credit Card Fees by Requiring Monthly Credit Card Billing,

Dear Senator Sanborn, Representative Tepler, and members of the Committee,

The Bureau of Financial Institutions takes a “neither for nor against” position on LD 1119, An Act To Limit Credit Card Fees by Requiring Monthly Credit Card Billing, and offers this letter as additional information for the Committee to consider.

The legislation would enact a new section in Title 9-A, the Maine Consumer Credit Code, that would require the issuer of a credit card to bill a consumer once per month, and would impose penalties for issuers who bill more than 12 times in a calendar year.

Under the proposal a card issuer that bills more than 12 times per year will forfeit the remaining balance owed on the credit card account and cannot report negative information related to that forfeiture to a credit bureau.

The Bureau of Financial Institution is the administrator of Title 9-A as applied to Maine state-chartered financial institutions; the Bureau of Consumer Credit Protection is the administrator of the Code for other types of lenders. Superintendent Will Lund has informed the Bureau that none of the licensees with that agency currently offer credit cards. Some Maine state chartered financial institutions offer credit cards.

1. Existing billing requirements:

The Federal Credit Card Accountability Responsibility and Disclosure Act of 2009, adopted by reference as part of Maine’s Truth-in-Lending law requires that payment due dates fall on the same day each month and that the consumer receive a monthly bill at least 21 days before it is due.

The Bureau observes that existing requirements ensure that card issuers act consistently each month and provide a consumer at least 3 weeks to pay a bill.

2. Preemption of state law:

The proposed bill would likely not apply to a significant number of Maine consumers using credit cards from out-of-state national banks. Under the United States dual banking system, institutions created under federal law may operate free from certain state laws regulating bank activities and products. State laws expressly preempted are those relating to the “terms of the credit, including the schedule for repayment of principal and interest...”12 C.F.R. § 7.4008. Therefore, LD 1119 would only apply to Maine state-chartered financial institutions, which would upset the level playing field between state and federal charters this Committee has sought to preserve in past legislative sessions.

Thank you for consideration. The Bureau is happy to provide additional information as needed to the Committee.

Very Truly Yours,

Lloyd P. LaFountain III

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