

§1100-JJ. Eligibility of affected employees; loan terms; process

1. Determination of eligibility of affected employee. An eligible financial institution may make a loan to an affected employee who meets the following eligibility requirements.

A. An affected employee shall provide to the eligible financial institution proof of the affected employee's employment status, income and residence in this State. An affected employee may meet the requirements of this paragraph by providing to the eligible financial institution proof such as a pay stub or bank statement, a federal employee identification card or the federal tax identification number of the affected employee's employer. [PL 2025, c. 494, §2 (NEW).]

B. In addition to the proof required in paragraph A, an affected employee shall submit to the eligible financial institution a sworn affidavit from the affected employee stating:

- (1) That the affected employee is currently a federal or state employee residing in this State;
- (2) That the affected employee is eligible to receive back pay when a shutdown ends;
- (3) That the affected employee is not receiving a loan from any other eligible financial institution pursuant to this subchapter; and
- (4) The amount per week of unemployment compensation benefits pursuant to Title 26, chapter 13:
 - (a) Received by the affected employee, if any, during a shutdown; and
 - (b) The affected employee is eligible to receive, if any, during a shutdown. [PL 2025, c. 494, §2 (NEW).]

[PL 2025, c. 494, §2 (NEW).]

2. Determination of loan amount. The maximum amount of a loan is the lesser of \$6,000 and the affected employee's most recent monthly after-tax pay, offset by any unemployment benefits, as determined pursuant to this subsection.

A. Offsetting unemployment benefits are determined by multiplying by 4 the greater of the amount per week of unemployment benefits pursuant to Title 26, chapter 13, as reported pursuant to subsection 1, paragraph B, subparagraph (4):

- (1) Actually received by the affected employee during the shutdown; and
- (2) The affected employee is eligible to receive during the shutdown. [PL 2025, c. 494, §2 (NEW).]

B. The amount of offsetting unemployment benefits, if any, as determined pursuant to paragraph A is subtracted from the lesser of \$6,000 and the affected employee's most recent monthly after-tax pay. [PL 2025, c. 494, §2 (NEW).]

C. The amount of the loan is the lesser of \$6,000 and the amount determined following the calculation in paragraph B. [PL 2025, c. 494, §2 (NEW).]

[PL 2025, c. 494, §2 (NEW).]

3. Creditworthiness. An eligible financial institution may not use an affected employee's creditworthiness as a factor for the purposes of determining eligibility for a loan under this subchapter. [PL 2025, c. 494, §2 (NEW).]

4. Terms of loan agreement. Notwithstanding any provision of law to the contrary, the following terms apply to a loan issued pursuant to this subchapter.

A. A loan agreement may not:

- (1) Require repayment during the grace period;

(2) Charge interest on the principal amount before or during the grace period or for 180 days after the grace period; or

(3) Contain a fee or penalty for the prepayment or early payment of the loan. [PL 2025, c. 494, §2 (NEW).]

B. The loan agreement must require that the affected employee repay the loan in full not later than 180 days after the end of the grace period and permit repayment to be made in installments. An affected employee who chooses to repay the loan in installments must be allowed to make at least 3 and no more than 6 equal installment payments. [PL 2025, c. 494, §2 (NEW).]

C. After 180 days have elapsed following the grace period, the eligible financial institution may charge interest or fees in accordance with the eligible financial institution's lending policy and the terms of the loan agreement. [PL 2025, c. 494, §2 (NEW).]

[PL 2025, c. 494, §2 (NEW).]

5. Multiple loans to same eligible affected employee during same shutdown. An eligible affected employee who has received a loan pursuant to this section may apply to the same eligible financial institution for an additional loan for each 30-day period beyond the first that the affected employee remains an eligible affected employee, except that an eligible affected employee may not receive more than 3 loans under the program during a shutdown. An eligible affected employee who applies for an additional loan shall provide the eligible financial institution with updated information as required under subsection 1, including the amount of unemployment compensation benefits the affected employee has been determined eligible to receive or has received during the shutdown. Each additional loan must be made in accordance with this section.

[PL 2025, c. 494, §2 (NEW).]

6. Treatment of deferred interest. Notwithstanding any provision of Title 36, Part 8 to the contrary, any interest deferred or not charged related to a loan issued pursuant to this section is exempt from all state taxes that may be applicable to such interest amounts as they relate to an affected employee. An eligible financial institution shall disclose to eligible affected employee borrowers in the signed affidavit or loan documents that there may be federal tax consequences to the program loans and that loan information may be shared with the authority.

[PL 2025, c. 494, §2 (NEW).]

SECTION HISTORY

PL 2025, c. 494, §2 (NEW).

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