

CHAPTER 202

CONSUMER LOAN AND LEASE AGREEMENTS

§1121. Purpose

The purpose of this chapter is to enable the average consumer, who makes a reasonable effort under ordinary circumstances, to read and understand the terms of loan and lease documents without having to obtain the assistance of a professional. [PL 1985, c. 763, Pt. A, §66 (AMD).]

SECTION HISTORY

PL 1979, c. 483 (NEW). PL 1985, c. 763, §A66 (AMD).

§1122. Definitions

As used in this chapter unless the context clearly indicates otherwise, the following terms shall have the following meanings. [PL 1979, c. 483 (NEW).]

1. Agreement. "Agreement" means any writing which is substantially prepared in advance of a consumer loan or consumer lease and which a supervised lender or lessor furnishes to a consumer for the consumer to sign in connection with that loan or lease.
[PL 1985, c. 763, Pt. A, §67 (AMD).]

2. Amount financed. "Amount financed" means "amount financed" as defined by Title 9-A, section 1-301, subsection 5.
[PL 1979, c. 483 (NEW).]

3. Consumer. "Consumer" means an individual to whom a consumer loan or consumer lease is made.
[PL 1985, c. 763, Pt. A, §67 (AMD).]

3-A. Consumer lease. "Consumer lease" means a lease of goods to a consumer by a lessor for personal, family or household purposes, which is for a term exceeding 4 months and which is not made pursuant to a lender credit card.
[PL 1985, c. 763, Pt. A, §68 (NEW).]

4. Consumer loan. "Consumer loan" means a loan made to a consumer by a supervised lender for personal, family or household purposes, if the debt is payable in installments or a finance charge is made, including a loan made pursuant to a lender credit card.
[PL 1979, c. 483 (NEW).]

4-A. Lessor. "Lessor" means a person who, in the ordinary course of business, regularly leases, offers to lease or arranges for the lease of personal property under a consumer lease.
[PL 1985, c. 763, Pt. A, §69 (NEW).]

5. Supervised lender. "Supervised lender" means "supervised lender" as defined under Title 9-A, section 1-301, subsection 39.
[PL 1979, c. 483 (NEW).]

SECTION HISTORY

PL 1979, c. 483 (NEW). PL 1985, c. 763, §§A67-69 (AMD).

§1123. Scope

1. Application. Except as provided in subsection 2, this chapter applies to any agreement signed in connection with a consumer loan or consumer lease entered into in this State between a consumer who is a resident of this State at the time of the loan or lease and a supervised lender or lessor.

[PL 1985, c. 763, Pt. A, §70 (AMD).]

2. Exclusions. This chapter does not apply:

A. To consumer loans or consumer leases in which the amount financed or in the case of consumer leases, the capitalized cost of the leased property, exceeds \$100,000; and [PL 1985, c. 763, Pt. A, §70 (AMD).]

B. To language or arrangement which is specifically required by federal or state law, regulation or official agency interpretation; or to agreements, the form or any part of which is required by any governmental instrumentality as a condition of the assignability of the agreement. [PL 1979, c. 483 (NEW).]

[PL 1985, c. 763, Pt. A, §70 (AMD).]

SECTION HISTORY

PL 1979, c. 483 (NEW). PL 1985, c. 763, §A70 (AMD).

§1124. Requirements for agreements

After October 1, 1982, every consumer loan agreement, and after January 1, 1987, every consumer lease agreement, shall be: [PL 1985, c. 763, Pt. A, §71 (AMD).]

1. Plain language. Written in a clear and coherent manner using words with common and everyday meanings; and [PL 1981, c. 236, §1 (AMD).]

2. Meaningful arrangement. Appropriately divided and captioned by its various sections. [PL 1979, c. 483 (NEW).]

SECTION HISTORY

PL 1979, c. 483 (NEW). PL 1981, c. 236, §1 (AMD). PL 1981, c. 551, §1 (AMD). PL 1985, c. 763, §A71 (AMD).

§1125. Enforcement

A supervised lender's or lessor's failure to comply with the requirements of section 1124 shall constitute a violation of Title 9-A which shall be enforceable under Title 9-A, section 6-108. [PL 1985, c. 763, Pt. A, §72 (AMD).]

SECTION HISTORY

PL 1979, c. 483 (NEW). PL 1985, c. 763, §A72 (AMD).

§1126. Certification of compliance

1. Certification. A supervised lender or lessor, or any trade organization or association acting on behalf of supervised lenders or lessors, may submit any proposed form of agreement to the Office of Consumer Credit Regulation or, in the case of forms of agreement from supervised financial organizations, the Bureau of Financial Institutions. Within 45 days, the office or bureau shall either certify the form as complying with the requirements of section 1124 or refuse to certify the form as complying, setting forth written reasons for its refusal. Failure by the office or bureau to act under this section within 45 days is considered a certification of the form's compliance. A certification of compliance under this section is an absolute bar to any legal proceeding by the director or superintendent for failure to comply with the requirements of section 1124. [PL 2001, c. 44, §8 (AMD); PL 2001, c. 44, §14 (AFF).]

2. Fees. Any form of agreement submitted to the office under this section must be accompanied by a fee of \$25. The period within which the office must act under this section commences upon receipt of the fee. The fees received under this section are to be used by the director for the purposes of this chapter. The balance of any fees so received does not lapse.

[RR 1995, c. 1, §6 (COR); RR 1995, c. 1, §7 (AFF).]

SECTION HISTORY

PL 1979, c. 483 (NEW). PL 1981, c. 236, §2 (AMD). PL 1981, c. 501, §82 (AMD). PL 1981, c. 551, §2 (AMD). PL 1985, c. 763, §A73 (AMD). RR 1995, c. 1, §6 (COR). RR 1995, c. 1, §7 (AFF). PL 1995, c. 309, §17 (AMD). PL 1995, c. 309, §29 (AFF). PL 2001, c. 44, §8 (AMD). PL 2001, c. 44, §14 (AFF).

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