

§3963. Pawn transaction terms

1. Maximum finance charge established. A pawnbroker may not directly or indirectly receive a finance charge of greater than 25% per month on that part of a loan that is \$500 or less, nor more than 20% per month on that part of a loan that is more than \$500, made upon property pawned. Accrued interest may not be incorporated as interest-bearing principal.

[PL 1993, c. 59, §3 (NEW).]

2. Minimum finance charge authorized. Notwithstanding subsection 1, a pawnbroker may contract for and receive a minimum charge of not more than \$2.50.

[PL 1993, c. 59, §3 (NEW).]

3. Other charges prohibited. A pawnbroker may not charge a fee in addition to a finance charge allowed under subsections 1 and 2.

[PL 1993, c. 59, §3 (NEW).]

4. Time period. The initial redemption or repurchase period of a pawn transaction, not including an extension under subsection 5, may not exceed 60 days.

[PL 1993, c. 59, §3 (NEW).]

5. Extension required upon request. A consumer is entitled to at least one extension of the pawn transaction of one month at the same rate of interest upon request in writing or in person.

[PL 1995, c. 397, §15 (AMD).]

6. Violation. A violation of this section constitutes a violation of Title 9-A, section 5-201, subject to the civil remedies of the Maine Consumer Credit Code, and constitutes a violation of the Maine Unfair Trade Practices Act.

[PL 1993, c. 59, §3 (NEW).]

Nothing in this section prohibits a pawnbroker from charging a consumer a lower rate of interest than established by this section. [PL 1993, c. 59, §3 (RPR).]

SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,10 (AMD). PL 1993, c. 59, §3 (RPR). PL 1995, c. 397, §15 (AMD).

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