

§2-202. Finance charge for consumer credit sales pursuant to open-end credit

1. With respect to a consumer credit sale made pursuant to open-end credit, a creditor may contract for and receive a finance charge not exceeding that permitted in this section.

[PL 1973, c. 762, §1 (NEW).]

2. A charge may be made in each billing cycle which is a percentage of an amount not exceeding the greater of:

A. The average daily balance in the billing cycle for which the charge is made, which is the sum of the amount unpaid each day during that cycle, divided by the number of days in that cycle. The amount unpaid on a day is determined by adding to the balance, if any, unpaid as of the beginning of that day all debits, but excluding purchases or leases of goods and services made on that day if a finance charge on these amounts is prohibited under subsection 5 and deducting all payments and other credits made or received as of that day; or [PL 1995, c. 614, Pt. A, §1 (AMD).]

B. The unpaid balance at the beginning of the first day of the billing cycle after all payments on account, returns and other credits made or given during the first 25 days of the billing cycle, if the billing cycle is monthly, shall have been first deducted; provided that returns and other credits may be deducted only to the extent that the purchase to which the credit or return relates has been reflected in the previous balance. If the billing cycle is not monthly, such deduction shall be made for payments on account, returns and other credits made or given during that part of the billing cycle that bears the same relation to the billing cycle that 25 does to 30. [PL 1973, c. 762, §1 (RPR).]

[PL 1995, c. 614, Pt. A, §1 (AMD).]

3. Except with respect to sales made pursuant to a credit card:

A. If the billing cycle is monthly, the charge may not exceed 1 1/2% of the amount pursuant to subsection 2; or [PL 1995, c. 84, §2 (NEW).]

B. If the billing cycle is not monthly, the maximum charge is that percentage that bears the same relation to the applicable monthly percentage as the number of days in the billing cycle bears to 30. [PL 1995, c. 84, §2 (NEW).]

A billing cycle is monthly if the closing date of the cycle is the same date each month or does not vary by more than 4 days from that date.

[PL 1995, c. 84, §2 (RPR).]

4. Notwithstanding subsection 3, if there is an unpaid balance on the date as of which the credit service charge is applied, the seller may contract for and receive a charge not exceeding 50¢ if the billing cycle is monthly or longer, or the pro rata part of 50¢ which bears the same relation to 50¢ as the number of days in the billing cycle bears to 30 if the billing cycle is shorter than monthly.

[PL 1973, c. 762, §1 (NEW).]

5. Except when there is an outstanding balance from the prior billing cycle, a finance charge may not be imposed on purchases or leases of goods or services purchased during the billing cycle, provided that they are paid for not later than 25 days after the closing date of the billing cycle in which the purchase or lease occurred.

[PL 1995, c. 84, §3 (AMD).]

6. For purposes of this section, the term of a sale made pursuant to an open-end agreement commences with the date credit is granted or, if goods are delivered or services performed 10 days or more after that date, with the date of commencement of performance or with the date of completion of delivery. Delivery and performance include delivery or performance by a subcontractor or agent of the seller.

[PL 1981, c. 323 (NEW).]

7. Unless otherwise provided for in Article 8-A, with respect to consumer credit sales made pursuant to a credit card, other than a lender credit card, a creditor may not impose a finance charge if it is in excess of that set forth in the agreement between the consumer and the creditor.

[PL 2011, c. 427, Pt. A, §5 (AMD).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1977, c. 421, §§1,2 (AMD). PL 1981, c. 323 (AMD). PL 1995, c. 84, §§2-4 (AMD). PL 1995, c. 614, §A1 (AMD). PL 1999, c. 184, §1 (AMD). PL 2011, c. 427, Pt. A, §5 (AMD).

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