**§5-118. Unlicensed loan transactions**

**1. Definitions.**  As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Automated clearinghouse" means the nationwide electronic funds transfer system that provides for an interbank exchange of either checks or automated debit or credit entries. [PL 2013, c. 480, §1 (NEW).]

B. "Financial account" means a checking, savings, share, stored value, prepaid, payroll card or other depository account. [PL 2013, c. 480, §1 (NEW).]

C. "Lender" means a person engaged in the business of making loans of money and charging, contracting for or receiving on any such loan interest, a finance charge, a discount or consideration. For purposes of this section, "lender" does not include a supervised financial organization. [PL 2013, c. 480, §1 (NEW).]

D. "Process" or "processing" includes printing a check, draft or other form of negotiable instrument drawn on or debited against a consumer's financial account, formatting or transferring data for use in connection with the debiting of a consumer's financial account by means of such an instrument or an electronic funds transfer or arranging for such services to be provided to a lender. [PL 2013, c. 480, §1 (NEW).]

E. "Processor" means a person who engages in processing. For purposes of this section, "processor" does not include the automated clearinghouse. [PL 2013, c. 480, §1 (NEW).]

[PL 2013, c. 480, §1 (NEW).]

**2. Certain loans prohibited.**  It is an unfair or deceptive act or practice in commerce, a violation of the Maine Unfair Trade Practices Act and a violation of this Title for a lender directly or through an agent to solicit or make a loan to a consumer by any means unless the lender is in compliance with Article 2, Part 3 or is otherwise exempt from the requirements of Article 2, Part 3.

[PL 2013, c. 480, §1 (NEW).]

**3. Certain processing prohibited.**  It is an unfair or deceptive act or practice in commerce, a violation of the Maine Unfair Trade Practices Act and a violation of this Title for a processor, other than a supervised financial organization, to process a check, draft, other form of negotiable instrument or an electronic funds transfer from a consumer's financial account in connection with a loan solicited from or made by any means to a consumer unless the lender is in compliance with Article 2, Part 3 or is otherwise exempt from the requirements of Article 2, Part 3.

[PL 2013, c. 480, §1 (NEW).]

**4. Certain assistance to lenders or processors prohibited.**  It is an unfair or deceptive act or practice in commerce, a violation of the Maine Unfair Trade Practices Act and a violation of this Title for a person or lender to provide substantial assistance to a lender or processor when the person or lender or the person's or lender's authorized agent receives notice from a regulatory, law enforcement or similar governmental authority, knows from its normal monitoring and compliance systems or consciously avoids knowing that the lender or processor is in violation of subsection 2 or 3 or is engaging in an unfair or deceptive act or practice in commerce. This subsection does not apply to a supervised financial organization.

[PL 2013, c. 480, §1 (NEW).]

SECTION HISTORY

PL 2013, c. 480, §1 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.