

§16-101. Definitions

As used in this Article, unless the context otherwise indicates, the following terms have the following meanings. [PL 2021, c. 357, §2 (NEW).]

1. Cosigner. "Cosigner" means an individual who is liable for the loan obligation of another, regardless of how the individual is designated in the loan contract or instrument with respect to that obligation, including an obligation under a private education loan extended to consolidate a borrower's preexisting private education loan. "Cosigner" includes an individual whose signature is requested as a condition to grant credit or forbear a collection. "Cosigner" does not include a spouse of a borrower or cosigner whose signature is needed solely to perfect the security interest in the loan. [PL 2021, c. 357, §2 (NEW).]

2. Cosigner release. "Cosigner release" means the release of the obligations of a cosigner on a private education loan. [PL 2021, c. 357, §2 (NEW).]

3. Creditor. "Creditor" means:

A. The original creditor of a private education loan if ownership of the loan has not been sold, assigned or transferred; [PL 2021, c. 357, §2 (NEW).]

B. A person that owns a private education loan at the time the private education loan is defaulted if the loan has not been subsequently sold, transferred or assigned, regardless of whether the person is the original creditor; or [PL 2021, c. 357, §2 (NEW).]

C. A person that purchases a defaulted private education loan for collection purposes, regardless of whether the person collects on the loan itself, hires a 3rd party for collection or hires an attorney for collection litigation. [PL 2021, c. 357, §2 (NEW).]
[PL 2021, c. 357, §2 (NEW).]

4. Original creditor. "Original creditor" means the private education lender identified in a promissory note, loan agreement or loan contract entered into with a private education loan borrower or cosigner. [PL 2021, c. 357, §2 (NEW).]

5. Private education lender. "Private education lender" or "lender" means any person engaged in the business of securing, making or extending private education loans or any holder of a private education loan. "Private education lender" does not include a supervised financial organization; a financial institution holding company as defined in Title 9-B, section 1011, subsection 1; a mutual holding company as defined in Title 9-B, section 1052, subsection 2; a wholly owned subsidiary of a supervised financial organization, financial institution holding company or mutual holding company; or the Finance Authority of Maine. Only to the extent that state regulation is preempted by federal law, "private education lender" does not include the following persons:

A. Any federally chartered bank, savings bank, savings and loan association or credit union; [PL 2021, c. 357, §2 (NEW).]

B. Any wholly owned subsidiary of a federally chartered bank or credit union; and [PL 2021, c. 357, §2 (NEW).]

C. An operating subsidiary of a wholly owned subsidiary of a federally chartered bank or credit union in which each owner of the operating subsidiary is wholly owned by the same federally chartered bank or credit union. [PL 2021, c. 357, §2 (NEW).]
[PL 2021, c. 357, §2 (NEW).]

6. Private education loan. "Private education loan" means an extension of credit that is extended to a consumer expressly, in whole or in part, for postsecondary education expenses, regardless of

whether the loan is provided by the education institution that the student attends, and that is not made, insured or guaranteed under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Subchapter IV. "Private education loan" does not include:

A. An open-ended credit or any loan that is secured by real property or a dwelling; or [PL 2021, c. 357, §2 (NEW).]

B. An extension of credit in which the covered education institution is the creditor if:

(1) The term of the extension of credit is 90 days or less; or

(2) An interest rate is not applied to the credit balance and the term of the extension of credit is one year or less, regardless of whether the credit is payable in more than 4 installments. [PL 2021, c. 357, §2 (NEW).]

[PL 2021, c. 357, §2 (NEW).]

7. Private education loan borrower. "Private education loan borrower" or "borrower" means any resident of this State who has received or agreed to pay a private education loan for the borrower's own education expenses.

[PL 2021, c. 357, §2 (NEW).]

8. Private education loan collector. "Private education loan collector" means a person collecting or attempting to collect on a defaulted private education loan.

[PL 2021, c. 357, §2 (NEW).]

9. Private education loan collection action. "Private education loan collection action" means any judicial action in which a claim is asserted to collect on a defaulted private education loan.

[PL 2021, c. 357, §2 (NEW).]

10. Total and permanent disability. "Total and permanent disability" means the condition of an individual who:

A. Has been determined by the United States Secretary of Veterans Affairs to be unemployable due to a service-connected disability; or [PL 2021, c. 357, §2 (NEW).]

B. Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, has lasted for a continuous period of not less than 12 months or can be expected to last for a continuous period of not less than 12 months. [PL 2021, c. 357, §2 (NEW).]

[PL 2021, c. 357, §2 (NEW).]

SECTION HISTORY

PL 2021, c. 357, §2 (NEW).

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