

LD 300, An Act Regarding Early Closures by Financial Institutions

SUMMARY:

This bill prohibits a financial institution from assessing a late charge or other fee against a customer if those fees arise because a customer could not make a transaction due to the temporary closure of the financial institution for good cause, emergency weather conditions, community events or other similar reasons.

CURRENT LAW:

Under [current law](#), a financial institution is authorized to temporarily close any of its offices for reasons that include but are not limited to good cause, emergency weather conditions and community events. If a closure occurs, the financial institution is required to post a conspicuous notice of the closing at all points of public access. The law also authorizes the Superintendent of Financial Institutions to require dissemination of the notice of the closing by other reasonable means. The law authorizes the financial institution to perform any activities not performed on the day of the closure the next business day and relieves the financial institution from any liability.

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ISSUES FOR CONSIDERATION:

1. As drafted, the bill only applies to financial institutions (banks and credit unions) that are organized under a state-charter. Financial institutions may be organized and regulated under a state or federal charter. The application of the bill's requirements to federally-chartered financial institutions doing business in Maine would likely be preempted as noted in written information from the Bureau of Financial Institutions (NOR), the Maine Bankers Association (OPP) and Maine Credit Union League (OPP). Consider that if the bill were enacted, it would likely not apply to all banks and credit unions operating in Maine.
2. With regard to consumer debt, the Maine Consumer Credit Code prohibits late fees from being imposed by lenders if a consumer debt is paid within 15 days of its due date. See [9-A MRSA §2-502](#). There are also provisions in the federal Truth-in-Lending Act regulations that require certain credit card payments to be credited on the day received and that, if a creditor does not receive or accept payments by mail on the due date, the creditor may not treat a payment received the next business day as a late payment.

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ISSUES FOR CONSIDERATION (cont'd):

3. If move forward with proposal, consider clarifying how it would apply. Are late fees prohibited from being assessed on all customers even if only one location is closed? Or only on customers of the branch or office that is closed? How would a financial institution determine that and apply the policies?

FISCAL INFORMATION: Not yet determined