

**§2-201. Finance charge for consumer credit sales other than open-end credit**

1. With respect to a consumer credit sale, other than a sale pursuant to open-end credit, a seller may contract for and receive a finance charge not exceeding that permitted by this section.

[PL 1973, c. 762, §1 (NEW).]

2. The finance charge, calculated according to the actuarial method, may not exceed the equivalent of the greater of either of the following:

A. The total of:

(i) 30% per year on that part of the unpaid balances of the amount financed that is \$1,000 or less;

(ii) 21% per year on that part of the unpaid balances of the amount financed that is more than \$1,000 but does not exceed \$2,800; and

(iii) 15% per year on that part of the unpaid balances of the amount financed that is more than \$2,800; or [PL 1997, c. 727, Pt. B, §3 (AMD).]

B. 18% per year on the unpaid balances of the amount financed. [PL 1973, c. 762, §1 (NEW).]  
[PL 1997, c. 727, Pt. B, §3 (AMD).]

3. This section does not limit or restrict the manner of calculating the finance charge whether by way of add-on, discount, or otherwise, so long as the rate of the finance charge does not exceed that permitted by this section. If the sale is precomputed,

A. The finance charge may be calculated on the assumption that all scheduled payments will be made when due; and [PL 1973, c. 762, §1 (NEW).]

B. The effect of prepayment is governed by the provisions on rebate upon prepayment, section 2-510. [PL 1973, c. 762, §1 (NEW).]  
[PL 1973, c. 762, §1 (NEW).]

4. For the purposes of this section, the term of a sale agreement commences with the date the 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. For purposes of this section, a sale agreement does not commence upon the transfer of merchandise certificates, but commences only upon the date goods are delivered or services performed. For purposes of this section, delivery and performance include delivery or performance by a subcontractor or agent of the seller. Differences in the lengths of months are disregarded and a day may be counted as 1/30th of a month. Subject to classifications and differentiations the seller may reasonably establish, a part of a month in excess of 15 days may be treated as a full month if periods of 15 days or less are disregarded and that procedure is not consistently used to obtain a greater yield than would otherwise be permitted.

[PL 1973, c. 762, §1 (NEW).]

5. Subject to classifications and differentiations the seller may reasonably establish, he may make the same finance charge on all amounts financed within a specified range. A finance charge so made does not violate subsection 2 if:

A. When applied to the median amount within each range, it does not exceed the maximum permitted by subsection 2; and [PL 1973, c. 762, §1 (NEW).]

B. When applied to the lowest amount within each range, it does not produce a rate of finance charge exceeding the rate calculated according to paragraph A by more than 8% of the rate calculated according to paragraph A. [PL 1973, c. 762, §1 (NEW).]  
[PL 1973, c. 762, §1 (NEW).]

**6.** Notwithstanding subsection 2, the seller may contract for and receive a minimum charge of not more than:

- A. Five dollars when the amount financed does not exceed \$75; [PL 1975, c. 298, §1 (RPR).]
- B. Seven dollars and fifty cents when the amount financed exceeds \$75, but is less than \$250; or [PL 1975, c. 298, §1 (RPR).]
- C. Twenty-five dollars when the amount financed is \$250 or more and when, within 30 days from the date of the transaction, the agreement is assigned by the seller, other than a seller of motor vehicles, to an assignee having no corporate relationship to the seller-assignor. [PL 1975, c. 298, §1 (RPR).]

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**7.** The finance charge on any transaction involving the credit sale of goods or services used in the modernization, rehabilitation, repair, alteration or improvement of real property, in which the seller or his agent installs the goods or provides the services related to the modernization, rehabilitation, repair, alteration or improvement of the real property, may not exceed 18% per year on the unpaid balances of the amount financed.

[PL 1985, c. 819, Pt. B, §§3-4 (AMD).]

**8.**

[PL 1997, c. 727, Pt. B, §4 (RP).]

**9.**

[PL 1993, c. 188, §1 (RP).]

**9-A.** Notwithstanding any other provision of law, the finance charge on a consumer credit sale of a motor vehicle, as defined in this section, that is sold on or after January 1, 1994 may not exceed 18% per year on the unpaid balance of the amount financed. For the purposes of this section, "motor vehicle" means any self-propelled vehicle not operated exclusively on tracks, except agricultural machinery and any other devices that do not constitute consumer goods, as defined in Title 11, section 9-1102, subsection (23).

[PL 1999, c. 699, Pt. D, §2 (AMD); PL 1999, c. 699, Pt. D, §30 (AFF).]

**10.** Notwithstanding any other subsection, the finance charge on a transaction to finance or refinance the acquisition of, or secured by, manufactured housing, not involving a security interest in real estate, may not exceed the greater of the following:

- A. A rate 2% greater than the maximum rate established by federal regulations pursuant to the United States Code, Title 38, Section 1819(f), Veterans Housing Act of 1970, as amended, and published from time to time in the Federal Register, 38 Code of Federal Regulations, Part 36; or [PL 1987, c. 129, §32 (AMD).]
- B. 18% per year. [PL 1983, c. 87, §1 (RPR).]

In the event no specific maximum rate is established by federal regulation in accordance with this subsection, this subsection shall not apply.

[PL 1987, c. 129, §32 (AMD).]

#### SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1975, c. 1 (AMD). PL 1975, c. 298, §1 (AMD). PL 1977, c. 161, §§1,2 (AMD). PL 1979, c. 661, §1 (AMD). PL 1981, c. 229 (AMD). PL 1981, c. 293, §1 (AMD). PL 1981, c. 470, §A17 (AMD). PL 1981, c. 618, §3 (AMD). PL 1983, c. 87, §1 (AMD). PL 1983, c. 598 (AMD). PL 1985, c. 763, §§A21-23 (AMD). PL 1985, c. 819, §§B3,4 (AMD). PL 1987, c. 129, §§31,32 (AMD). PL 1993, c. 188, §§1,2 (AMD). PL 1997, c. 727, §§B3,4 (AMD). PL 1999, c. 699, §D2 (AMD). PL 1999, c. 699, §D30 (AFF).

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