§3-204. Change in terms of open-end credit accounts

1. If a creditor makes a change in the terms of an open-end credit account without complying with this section, any additional cost or charge to the consumer resulting from the change is an excess charge and subject to the remedies available to consumers, section 5-201, and to the administrator, section 6-113.
[PL 1973, c. 762, §1 (NEW).]

2. Unless otherwise provided for in Article 8-A, a creditor may change the terms of an open-end credit account. Except as provided in subsections 3 and 3-A, the creditor shall give to the consumer written notice of any change of terms relating to penalties, interest or other charges at least 30 days before the effective date of the change. A change of terms that would increase any penalty, interest or other charges may not affect outstanding balances incurred prior to the effective date of any such change unless:

A. The creditor includes in the notice of change an offer to finance by a separate loan arrangement the outstanding unpaid balance as of the effective date of the change at the same rate of interest with the same repayment schedule as applies to that open-end credit account; [PL 1983, c. 212, §6 (AMD).]

B. The consumer may accept the offer of a separate loan arrangement with respect to the then existing unpaid balance anytime prior to 7 days before the change is to become effective; [PL 1983, c. 212, §6 (AMD).]

C. The creditor has legal authority to make such a loan; and [PL 1983, c. 212, §6 (AMD).]

D. No minimum finance charge is assessed nor prepayment penalty charged on the loan. [PL 1983, c. 212, §6 (AMD).]
[PL 2011, c. 427, Pt. A, §9 (AMD).]

3. The notice procedure specified in subsection 2 does not have to be followed if:

A. The consumer, after receiving the notice of the change and the consumer's rights specified in subsection 2, agrees in writing to the change; or [RR 2025, c. 1, Pt. C, §15 (COR).]

B. [PL 1983, c. 720, §12 (RP).]

C. The change applies only to debts incurred after a date specified in a notice of the change given 15 days prior to the effective date of the change. [PL 1983, c. 212, §7 (AMD).]
[RR 2025, c. 1, Pt. C, §15 (COR).]

3-A. No notice of a change in terms is required if the change involves no significant cost to the consumer.
[PL 1983, c. 720, §13 (NEW).]

4. The notice provided for in this section is given to the consumer when mailed to the consumer at the address used by the creditor for sending periodic billing statements.
[RR 2025, c. 1, Pt. C, §16 (COR).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1975, c. 178 (AMD). PL 1983, c. 212, §§6,7 (AMD). PL 1983, c. 720, §§11-13 (AMD). PL 1999, c. 150, §2 (AMD). PL 2011, c. 427, Pt. A, §9 (AMD). RR 2025, c. 1, Pt. C, §§15, 16 (COR).

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