§3-402. Limitation on default charges

1. The agreement with respect to a consumer credit transaction may not provide for any charges as a result of default by the consumer, except that the agreement may provide for the following:

A. Charges authorized by other provisions of this Act; [PL 1991, c. 237 (NEW).]

B. Notwithstanding section 2-507, reasonable charges incurred in realizing on a security interest in personal property securing a consumer loan, consumer lease or a consumer credit sale, other than attorney's fees; and [PL 1999, c. 150, §5 (AMD).]

C. Notwithstanding section 2-507, reasonable attorney's fees, legal expenses and other reasonable costs incurred in realizing on real property securing a consumer loan or a consumer credit sale. [PL 1991, c. 237 (NEW).]

[PL 1999, c. 150, §5 (AMD).]

2. A provision in violation of this section is unenforceable.

[PL 1991, c. 237 (NEW).]

3. Notwithstanding subsections 1 and 2, a creditor that complies with Title 14, sections 6071 and 6073 is entitled to the remedies provided in those sections when an instrument that the creditor has taken in connection with a consumer loan, consumer lease or consumer credit sale is dishonored.

[PL 1999, c. 150, §6 (NEW).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1981, c. 293, §4 (AMD). PL 1991, c. 237 (RPR). PL 1999, c. 150, §§5,6 (AMD).

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