

BUREAU OF BANKING

Department of Professional and Financial Regulation

State of Maine

October 29, 1984

BULLETIN #6 FAIR CREDIT EXTENSION AND NON-DISCRIMINATORY
POLICIES

To the Chief Executive Officer Addressed:

In accordance with the provisions of 9-B M.R.S.A. § 433, every financial institution in Maine "shall be subject to and shall comply with the provisions of Title 5, §§ 4595 and 4598 providing for the fair extension of credit by lenders in this State". A copy of §§ 4595 and 4598 are part of this Bulletin.

The Banking Bureau would impress on every financial institution that they should comply with the other provisions of the Maine Human Rights Act (Title 5, Chapter 337), particularly the §§ dealing with fair employment and fair housing, even though the Bureau of Banking is given enforcement powers only with respect to credit extensions. The Bureau would look unfavorably upon any discriminatory practices or policies of any Maine financial institution with respect to dealings or transactions with any customer, stockholder, director, corporator, officer or employee based upon considerations of age, race, color, sex, marital status, ancestry, religion, or national origin.

/s/ H. Donald DeMatteis
Superintendent

SUBCHAPTER V-A
A FAIR CREDIT EXTENSION

§ 4595. Right to freedom from discrimination solely on the basis of age, race, color, sex, marital status, ancestry, religion or national origin in any credit transaction

The opportunity for every individual to extend credit without discrimination solely because of any one or more of the following factors: Age; race; color; sex; marital status; ancestry; religion or national origin is recognized as and declared to be a civil right.

§4596. Unlawful credit extension discrimination

It shall be unlawful credit discrimination for any creditor to refuse the extension of credit to any person solely on the basis of any one or more of the following factors: Age; race; color; sex; marital status; ancestry; religion or national origin in any credit transaction. It shall not be unlawful credit discrimination to comply with the terms and conditions of any bona fide group credit life, accident and health insurance plan, for a financial institution extending credit to a married person to require both husband and wife to sign a note and a mortgage and to deny credit to persons under the age of 18 or to consider a person's age in determining the terms upon which credit will be extended.

§4597. Definitions

As used in this subchapter, unless the context otherwise requires, the following words shall have the following meanings:

1. Application for credit. "Application for credit" means any communication, oral or written, by a person to a creditor requesting an extension of credit to that person or to any other person, and includes any procedure involving the renewal or alteration of credit privileges or the changing of the name of the person to whom credit is extended.
2. Credit. "Credit" means the right granted by a creditor to a person to defer payment of debt or to incur debt and defer its payment, or purchase property or services and defer payment therefor.
3. Credit sale. "Credit sale" means any transaction with respect to which credit is granted or arranged by the seller. The term includes any contract in the form of a bailment or lease if the bailee or lessee contracts to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the property and services involved and it is agreed that the bailee or lessee will become the owner of the property upon full compliance with his obligations under the contract.
4. Credit transaction. "Credit transaction" means any invitation to apply for credit, application for credit, extension of credit or credit sale.
5. Creditor. "Creditor" means any person who regularly extends or arranges for the extension of credit for which the payment of finance charge or interest is required whether in connection with loans, sale of property or services or otherwise.
6. Extension of credit. "Extension of credit" means any acts incident to the evaluation of an application for credit and the granting of credit.
7. Invitation to apply for credit. "Invitation to apply for credit" means any communication, oral or written, by a creditor which encourages or prompts an application for credit.

§4595 Enforcement

The Superintendent of the Bureau of Banking shall cooperate with the Human Rights Commission in their enforcement of this subchapter.