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DEPARTMENT OF BUSINESS REGULATION  
BUREAU OF CONSUMER PROTECTION  
STATE HOUSE STATION 35  
AUGUSTA, MAINE 04333

ADVISORY RULING #61  
OCTOBER 29, 1981

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Dear:

You have asked whether a first lien mobile home loan or credit sale with an interest rate in excess of 18% can be closed after September 18, 1981 if the Veterans Administration's Certificate of Commitment was issued prior to September 18, 1981.

Section 501(b)(3) of the Depository Institutions Deregulation and Monetary Control Act of 1980 (Pub. L. 96-221) states:

"(3) In any case in which a State takes an action described in paragraph (2), the provisions of subsection (a)(1) shall continue to apply to--

(A) any loan, mortgage, credit sale or advance which is made after the date such action was taken pursuant to a commitment therefore which was entered during the period beginning on April 1, 1980, and ending on the date on which such State takes such action; and..."

Since the effective date of Maine's override of Section 501(a)(1) was September 18, 1981 (P.L. 1981, c. 218), the issuance of a Certificate of Commitment prior to that date remains valid. Therefore, the maximum finance charge limitations of Article II of The Maine Consumer Credit Code (9-A M.R.S.A. §§ 2-201 and 2-402) are not applicable to the transaction you described.

Sincerely,

/s/ Barbara R. Alexander

Barbara R. Alexander  
Superintendent

BA:as