

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
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3 ONE HUNDRED AND TENTH LEGISLATURE  
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5 **Legislative Document**

**No. 1864**

6 H. P. 1870 House of Representatives, January 21, 1982  
7 Approved for introduction by the Legislative Council pursuant to  
Joint Rule 26.

8 Speaker laid before the House and referred to the Committee on  
Local and County Government. Sent up for concurrence and ordered  
printed.

EDWIN H. PERT, Clerk

Presented by Representative Stover of West Bath.

9 Cosponsors: Representative Berube of Lewiston, Senator Wood of  
York and Senator Gill of Cumberland.

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10 STATE OF MAINE  
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12 IN THE YEAR OF OUR LORD  
13 NINETEEN HUNDRED AND EIGHTY-TWO  
14

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15 **AN ACT to Clarify the Right of Local Housing Authorities**  
16 **to Issue Mortgage Revenue Bonds.**  
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18 Be it enacted by the People of the State of Maine as follows:

19 **Sec. 1. 30 MRSA §4751, first ¶, 3rd sentence, as**  
20 **amended by PL 1969, c. 564, §6, is further amended to read:**

21 An authority may issue such types of bonds as it may deter-  
22 mine, including, without limiting the generality of the  
23 foregoing, bonds on which the principal and interest are  
24 payable; exclusively from the income and revenues of the  
25 project financed with the proceeds of such bonds; exclu-  
26 sively from the income and revenue of certain designated  
27 projects whether or not they are financed in whole or in  
28 part with the proceeds of such bonds; or from its revenues  
29 generally or ~~in the case of the state authority~~ exclusively  
30 from the proceeds of mortgages, bonds, or notes or other

1 securities held by the ~~state~~ authority or from moneys appro-  
2 priated by the State or otherwise authorized herein to be  
3 applied for payment of principal, redemption price and  
4 interest on the bonds.

5       Sec. 2. 30 MRSA §4756, first ¶, as amended by PL 1979,  
6 c. 712, §8, is further amended to read:

7       The state An authority shall have the power to purchase  
8 or to make commitments to purchase from banks, life insur-  
9 ance companies, savings and loan associations, the Federal  
10 Government and other financial institutions lawfully doing  
11 business in the State, the interest bearing obligations  
12 secured by mortgages and notes which are first lien on land  
13 and improvements in Maine constituting residential housing  
14 or a housing project. The ~~state~~ authority may also sell any  
15 of the above named mortgages or notes to any of the above  
16 named parties or to the Federal Government.

17       Sec. 3. 30 MRSA §4756, 2nd ¶, as amended by PL 1969,  
18 c. 564, §8, is further amended to read:

19       The state An authority shall have the power to exercise  
20 all the rights and powers of a first mortgagee, including  
21 the power to acquire, sell, convey or otherwise dispose of  
22 any real or personal property acquired or owned by it. The  
23 ~~state~~ housing authority shall have the power to sell mort-  
24 gages or notes to banks, life insurance companies, savings  
25 and loan associations, other financial institutions lawfully  
26 doing business in the State of Maine, and the United States  
27 and its agencies or instrumentalities or any fiduciaries or  
28 retirement funds.

29       Sec. 4. 30 MRSA §4757, first ¶, as enacted by PL 1969,  
30 c. 470, §18, is amended to read:

31       No obligation shall be eligible for purchase or commit-  
32 ment to purchase by the ~~state~~ an authority hereunder unless  
33 at or before the time of transfer thereof to the authority,  
34 the originating bank, life insurance company, savings and  
35 loan association, other financial institution or the United  
36 States and its agencies or instrumentalities certifies:

37       Sec. 5. 30 MRSA §4758, as last amended by PL 1979, c.  
38 712, §10, is further amended to read:

39       The ~~state~~ An authority shall not purchase from a seller  
40 who has previously sold to the ~~state~~ authority loans or  
41 obligations secured by land and improvements constituting

1 one-family to 4-family housing units any new loan or obli-  
2 gation secured by land and improvements constituting a one-  
3 family to 4-family housing unit until such seller has com-  
4 pleted the reinvestment in residential mortgages or notes or  
5 the purchase of such residential mortgages or notes contem-  
6 plated in section 4757 and so informed the state authority  
7 in writing, provided, however, that if any seller had  
8 entered into a contract with the state authority which con-  
9 tract provided for reinvestment of the proceeds of the sale  
10 of mortgages or obligations with certain restrictions within  
11 a certain time period, compliance with the terms of such  
12 contract shall constitute compliance with this section, and  
13 any seller who is performing within the terms of said con-  
14 tract shall be deemed to have completed said reinvestment  
15 requirements within the meaning of this section with respect  
16 to mortgages or obligations subject to such contract. The  
17 state authority shall have the right at all times to decline  
18 to purchase or to decline to make commitments to purchase  
19 any loan or obligation offered or submitted to it.

20       Sec. 6. 30 MRSA §4759, as enacted by PL 1969, c. 470,  
21 §18, is amended to read:

22       The state An authority shall pay for each loan or obli-  
23 gation purchased an amount not in excess of the outstanding  
24 principal balance: Discount from the principal balance may  
25 be employed to effect a fair rate of return, as determined  
26 by the rate of return on comparable investment under market  
27 conditions existing at the time of purchase. In addition to  
28 the aforesaid payment of outstanding principal balance, the  
29 state authority shall pay the accrued interest due thereon,  
30 on the date the loan or obligation is delivered to the state  
31 authority against payment therefor.

32       Sec. 7. 30 MRSA §4760, first ¶, as amended by PL 1977,  
33 c. 564, §118-C, is further amended to read:

34       ~~The~~ state An authority may authorize the issuance of  
35 revenue bonds of the authority in the manner and as provided  
36 in section 4751 for any of its authorized purposes including  
37 the purchase of first mortgage loans or evidences thereof,  
38 for residential housing or a housing project in the State of  
39 Maine from the financial institutions and other agencies  
40 specified in section 4756. Such loans may include, but  
41 shall not be limited to, loans which are insured, guaranteed  
42 or assisted by the United States or an instrumentality  
43 thereof or for which there is a commitment by the United  
44 States or an instrumentality thereof to insure, guaranty or  
45 assist such loan and shall be for persons and families

