

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 159

S.P. 65

In Senate, January 13, 2005

An Act To Restrict Undocumented Mortgage Agreements

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator SULLIVAN of York.

Cosponsored by Representative RECTOR of Thomaston and

Senator: SNOWE-MELLO of Androscoggin, Representatives: BARSTOW of Gorham, CURLEY of Scarborough, DUDLEY of Portland, FISCHER of Presque Isle, PERRY of Calais, PILON of Saco, SAVIELLO of Wilton.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 33 MRSA §506** is enacted to read:

6 **§506. Undocumented mortgage agreements**

8 In a residential mortgage loan closing, a buyer, seller,
10 licensed real estate professional or settlement agent may not
12 knowingly be a party to a financial or other arrangement not
reflected in the loan settlement statement if the effect of that
arrangement is to substantially overstate the contract sales
price.

14 **SUMMARY**

16 **This bill prohibits real estate buyers, sellers and closing**
18 **agents from agreeing to side deals not reflected on closing**
20 **documents if those side deals have the effect of overstating the**
value of the contract sales price.