

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 381

S.P. 147

In Senate, February 4, 2025

An Act to Enable Mortgage Portability and Promote Housing Affordability in the State

Reference to the Committee on Housing and Economic Development suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator MARTIN of Oxford.
Cosponsored by Representative SMITH of Palermo and
Senators: BENNETT of Oxford, CYRWAY of Kennebec, HARRINGTON of York,
Representatives: LANCE of Paris, SOBOLESKI of Phillips, WADSWORTH of Hiram,
WOOD of Norway.

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

2 **Sec. 1. 9-A MRSA §9-316** is enacted to read:

3 **§9-316. Portability of supervised loans secured by a mortgage**

4 **1. Mortgage porting; defined.** For the purposes of this section, "mortgage porting"
5 means the process by which a mortgagor transfers the terms, outstanding balance and
6 interest rate of an existing supervised loan secured against a single-family dwelling or a
7 dwelling that consists of no more than 4 units that is the principal residence of the
8 mortgagor to another principal residence.

9 **2. Eligibility for mortgage porting.** A mortgagor is eligible for mortgage porting
10 from a supervised lender if:

11 A. The mortgagor has maintained the mortgagor's existing supervised loan in good
12 standing;

13 B. The mortgagor meets the supervised lender's appraisal and underwriting criteria;
14 and

15 C. The transfer is executed within 6 months from the sale of the previous principal
16 residence of the mortgagor.

17 **3. Supervised lender requirements.** The following provisions apply to supervised
18 lenders engaged in mortgage porting.

19 A. Upon approval of mortgage porting, the supervised lender shall transfer the terms,
20 outstanding balance and interest rate of the existing supervised loan.

21 B. Upon request of the mortgagor, a supervised lender may grant an extension of the
22 supervised loan repayment period.

23 C. Any additional funds required by the mortgagor to purchase the new principal
24 residence must be financed at current market rates, except that the supervised lender
25 shall provide an option for a blended interest rate.

26 D. A supervised lender may charge a one-time mortgage porting fee as long as the fee
27 is disclosed in advance to the mortgagor.

28 E. A supervised lender shall disclose the terms, conditions and fees for mortgage
29 porting in writing to the mortgagor.

30 **4. Rulemaking.** The administrator may adopt rules as necessary to implement the
31 requirements of this section. Rules adopted pursuant to this subsection are routine technical
32 rules as defined in Title 5, chapter 375, subchapter 2-A.

33 **SUMMARY**

34 This bill authorizes mortgage porting, which is the process by which a mortgagor
35 transfers the terms, outstanding balance and interest rate of an existing mortgage loan
36 secured against a single-family dwelling or a dwelling that consists of no more than 4 units
37 that is the principal residence of the mortgagor to another principal residence. The bill
38 provides that a mortgagor is eligible for mortgage porting from a lender if the mortgagor
39 has maintained the mortgagor's existing mortgage loan in good standing; the mortgagor
40 meets the lender's appraisal and underwriting criteria; and the transfer is executed within 6

1 months from the sale of the previous principal residence of the mortgagor. The bill requires
2 that, upon approval of mortgage porting, a lender must transfer the outstanding balance,
3 interest rate and terms of the existing mortgage loan to the new mortgage loan and also
4 requires that any additional funds needed to purchase the new principal residence must be
5 financed at current market rates, although a lender must provide the option for a blended
6 interest rate for the new mortgage loan.