

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 436

H. P. 327

House of Representatives, January 28, 1971

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Clark of Jefferson.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

**AN ACT to Authorize Savings Bank Loans Covered by Mortgage
Guaranty Insurance**

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

Sec. 1. R. S., T. 9, § 561, sub-§ 1, ¶ H, additional. Subsection 1 of section 561 of Title 9 of the Revised Statutes, as enacted by section 18 of chapter 401 of the public laws of 1969, is amended by adding a new paragraph H, to read as follows:

H. A savings bank may make loans secured by a first mortgage of real estate in an amount not exceeding 90% of its appraisal of the market value, if at least the top 20% of the loan is insured by a mortgage guaranty insurer licensed to do business in this State.

Sec. 2. Effective date. This Act shall become effective December 31, 1971.

STATEMENT OF FACT

This bill permits savings banks to increase the amount they can lend to a borrower who mortgages real estate to secure his loan, when the loan is covered by mortgage guaranty insurance. Savings and loan associations currently have a similar provision in Title 9, section 1832. The effective date for this legislation is delayed in order that a pending judicial proceeding may not become moot.