

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1084

H. P. 820

House of Representatives, February 22, 1973

Referred to the Committee on State Government. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Briggs of Caribou.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Guarantees by the Maine Industrial Building Authority.

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

Sec. 1. R. S., T. 10, § 803, sub-§ 2, amended. The first sentence of subsection 2 of section 803 of Title 10 of the Revised Statutes, as amended by section 4 of chapter 343 of the public laws of 1971, is further amended to read as follows:

Involve a principal obligation not to exceed ~~\$4,000,000~~ \$2,000,000 for any one project and not to exceed 90% of the **total amount loaned by the mortgagee which total amount shall not exceed 90% of the** cost of project related to real estate, except 80% of the cost of project in the case of real estate in the form of documented fishing vessels, and 75% of the cost of project related to machinery and equipment, **except that the above limitation of 90% shall apply only to mortgages in excess of \$750,000.**

Sec. 2. R. S., T. 10, § 806, amended. Section 806 of Title 10 of the Revised Statutes, as amended by section 12 of chapter 525 of the public laws of 1967, is further amended to read as follows:

§ 806. Acquisition and disposal of property

The authority may take assignments of insured mortgages and other forms of security and may take title by foreclosures or conveyance to any eligible project when an insured mortgage loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the Mortgage Insurance Fund, and may sell, or on a temporary basis lease or rent, such eligible project for a use other than that specified in section 703,

subsection 3, except that if an insured mortgage loan has been clearly in default for more than 12 consecutive months the authority shall take an assignment of the insured mortgage and shall take title to the eligible project by foreclosure or conveyance and shall proceed to sell, lease, liquidate, or otherwise dispose of the property involved.

STATEMENT OF FACT

The bill reduces the amount which the Maine Industrial Building Authority may insure on one project to \$2,000,000. It also authorizes the Authority to sell, lease, liquidate or otherwise dispose of property to which it has taken title following a default.