

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

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Legislative Document

No. 1784

H. P. 1352

House of Representatives, April 3, 1973

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

E. LOUISE LINCOLN, Clerk

Presented by Mr. Rolde of York.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-THREE

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**AN ACT to Correct Errors and Inconsistencies in the Maine Housing  
Authorities Act.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment of the Legislature unless enacted as emergencies; and

Whereas, the Maine State Housing Authority operates an ongoing program of mortgage purchases, the validity of some of which may be called into question because of certain errors and inconsistencies in the Maine Housing Authorities Act; and

Whereas, the expected advent of special revenue sharing will make the role of the Maine State Housing Authority more important than ever before, requiring a completely workable statute; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health, and safety; now, therefore,

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

**Sec. 1. R. S., T. 30, § 4601-A, sub-§ 1, ¶ L, amended.** Paragraph L of subsection 1 of section 4601-A of Title 30 of the Revised Statutes, as enacted by chapter 467 of the public laws of 1971, is amended by adding 2 new paragraphs at the end to read as follows:

**If the State of Maine or any agency, instrument or authority thereof, shall create insuring or guaranteeing provisions substantially similar to those here-**

tofore operated by the Federal Government, insurance or guarantees issued under said provisions shall satisfy the previous sentence of this paragraph.

Any resolution authorizing use of bond proceeds for the purpose of making loans pursuant to this paragraph shall create a housing reserve fund subject to the conditions enumerated in section 4761 of this subchapter interpreted so as to make them applicable to direct lending. The housing reserve funds created by resolutions pursuant to this paragraph shall be replenished by appropriation and payment to the state authority under the same terms and upon the same conditions as are detailed in said section 4761 interpreted so as to make them applicable to direct lending. Indebtedness issued to provide proceeds for the purpose of making loans under this paragraph shall be limited by the largest of any limiting figures found in section 4762 of this subchapter, but debt issued within the limitation created by this sentence may be in addition to 100% of the largest amount of debt referred to in said section 4762 as "the aggregate principal amount."

Sec. 2. R. S., T. 30, § 4760, amended. The first sentence of section 4760 of Title 30 of the Revised Statutes, as enacted by section 18 of chapter 470 and as repealed and replaced by section 9 of chapter 564, both of the public laws of 1969, is amended to read as follows:

The state authority may authorize the issuance of revenue bonds of the authority in the manner and as provided in section 4751 for any of its authorized purposes including the purchase of first mortgage loans or evidences thereof ~~made not more than 6 months prior to such purchase~~ for residential housing in the State of Maine from the financial institutions and other agencies specified in section 4756.

Sec. 3. R. S., T. 30, § 4760, amended. The last paragraph of section 4760 of Title 30 of the Revised Statutes, as enacted by section 18 of chapter 470, and as repealed and replaced by section 9 of chapter 564, both of the public laws of 1969, is repealed and the following enacted in place thereof:

The state authority may not make a first mortgage loan or purchase such loan or evidence of such loan unless at least a reasonable number of the families or individuals who occupy or will occupy the mortgaged premises are persons of low income as defined in this subchapter. The state authority shall insure that the mortgaged premises is continued in use for the originally planned purpose so long as said use is economically and socially reasonable.

**Emergency clause:** In view of the emergency cited in the preamble, this Act shall take effect when approved.

## STATEMENT OF FACT

This Act corrects certain errors and inconsistencies in the Maine Housing Authorities Act.