

MAINE STATE LEGISLATURE

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New Draft of: S. P. 561, L. D. 1732

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1995

S. P. 651

In Senate, June 1, 1973

Reported by Senator Morrell of Cumberland from Committee on Appropriations and Financial Affairs and printed under Joint Rules No. 18.

HARRY N. STARBRANCH, Secretary

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

**AN ACT to Implement Section 14-D of Article IX of the
Constitution of Maine.**

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

Sec. 1. R. S., T. 30, c. 239, sub-c. II, Art. 7-A, additional. Subchapter II of chapter 239 of Title 30 of the Revised Statutes, as amended, is further amended by adding a new Article 7-A, to read as follows:

ARTICLE 7-A, HOUSING MORTGAGE INSURANCE LAW

§ 4784. Short title

This Article shall be known and may be cited as the "Housing Mortgage Insurance Law."

§ 4785. Declaration of purpose

The Constitution of Maine, Article IX, section 14-D, provides for "Insuring payment of mortgage loans for Indian housing for the purpose of fostering and encouraging the acquisition, construction, repair or remodeling of houses owned or to be owned by members of the two tribes on the several Indian reservations." It is the purpose of this Article to designate the State Housing Authority as the state agency responsible for implementing the powers provided by the Constitution in Article IX, section 14-D.

Whereas the power of the Maine State Housing Authority to insure mortgages on housing, other than Indian housing, needs clarification, and whereas the Maine State Housing Authority is the appropriate agency of the State to administer a State Housing Mortgage Insurance Program and

could administer it in conjunction with the Indian Housing Mortgage Insurance Program, it is the further purpose of this Act to provide that clarification.

§ 4786. Definitions

As used in this Article, unless the context otherwise indicates, the following words shall have the following meanings:

1. **Housing.** "Housing" shall include but not be limited to any "project" or "housing project," as defined in section 4552, subsection 12.

2. **Housing Mortgage Insurance Fund.** "Housing Mortgage Insurance Fund" means any fund established by the Maine State Housing Authority for the purpose of providing insurance for payment of mortgage loans for housing in Maine.

3. **Indian Housing Mortgage Insurance Fund.** "Indian Housing Mortgage Insurance Fund" means any Housing Mortgage Insurance Fund established by the Maine State Housing Authority in cooperation with the Indian Housing Authorities for the purpose of providing insurance for payment of mortgage loans for housing on the several Indian reservations.

4. **Indian Housing Authority.** "Indian Housing Authority" means any housing authority created by the Maine Indian Housing Authority law.

§ 4787. Insurance policies

1. **Contracts.** The Maine State Housing Authority is authorized to establish housing mortgage insurance contracts, to charge and collect premiums, to make appropriate payments and to do all other things necessary and proper to administer a State Housing Mortgage Insurance Program.

2. —**procedure.** When providing mortgage insurance on Indian housing, the Maine State Housing Authority shall develop the various contracts and other aspects of the program in cooperation with the Indian Housing Authorities and shall deal with insurance purchases exclusively through the agency of the Indian Housing Authorities or a person acceptable to the Indian Housing Authorities.

§ 4788. General obligation bonds for Indian Housing Mortgage Insurance

The Maine State Housing Authority is authorized to issue up to \$1,000,000 in state general obligation bonds for the purpose of providing funds to pay any necessary and proper costs or charges arising for any reason, including default of any policy issued pursuant to section 4787, subsection 2, and incurred as a result of its insuring or undertaking to insure payment of mortgages for Indian housing on an Indian reservation.

Proceeds from said bond issuance may not be used as collateral, payment or in any other way to assist any insurance of mortgages on other than Indian housing on Indian reservations. Administrative funds used to assist in the management of an Indian Housing Mortgage Insurance Fund or Program may be commingled with administrative funding for other Housing Mort-

gage Insurance Funds or programs operated or to be operated by the Maine State Housing Authority.

Proceeds from said bond issuance shall be accounted for separately from the general assets of any other housing insurance fund and separately from any other funds operated at any time by the Maine State Housing Authority, its successors, assigns or trustees. Said separate accounting shall be maintained even if funds are commingled for investment purposes by the Authority or by a trustee of any fund operated by or for the Authority.

Sec. 2. Appropriation. There is appropriated from the General Fund to the Maine State Housing Authority the sum of \$15,000 to carry out the purposes of this Act. The breakdown shall be as follows:

1973-74

MAINE STATE HOUSING AUTHORITY

Working Capital Advance

\$15,000

This Working Capital Advance shall become due on June 30, 1985, unless extended by the Legislature.

STATEMENT OF FACT

This Act implements section 14-D of Article IX of the Constitution of the State of Maine as passed by the voters in the last general election and clarifies the right of the State Housing Authority in the field of housing mortgage insurance.