

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1324

H. P. 1050

House of Representatives, March 21, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Hobbins of Saco.

Cosponsor: Mr. Goodwin of South Berwick.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Interest Payments to Mortgagor on Tax
Deposits with Mortgagee.

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

33 MRSA § 503 is enacted to read:

§ 503. Payment of interest by mortgagee; exemptions; profit or loss statement; report

A mortgagee doing business in this State and holding a first mortgage or lien on a dwelling house occupied or to be occupied in whole or in part by the mortgagor who requires advance payments, deposits or other security by said mortgagor for the payment of real estate taxes on mortgaged property shall pay interest to said mortgagor on any amounts so paid or deposited in advance. Interest shall be paid at least once a year at a rate and in a manner to be determined by the mortgagee, but not less than 3%.

Mortgagees required to pay such interest shall file annually with the Superintendent of Banks and Banking a statement showing the amount of net profit or loss from the investment of said deposits. Mortgagees showing a net loss from these investments may file with said superintendent a request for an exemption from the requirement that interest be paid to mortgagors. The superintendent shall maintain as a public record an annual report of interest rates paid to mortgagors as required by this section during the preceding annual period. The report shall list the mortgagees granted exemptions under this section during the preceding annual period.

STATEMENT OF FACT

This bill provides that banks holding payments in escrow from mortgagors will have to pay at least 3% interest to the mortgagor on those funds.