

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1191

S. P. 398

In Senate, March 9, 1981

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

MAY M. ROSS, Secretary of the Senate

Presented by Senator Dutremble of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Place Restrictions on Closing Costs Charged by Banks on Real Estate Transactions.

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

9-B. MRSA § 468 is enacted to read:

§ 468. Loan origination fee

No financial institution may charge a loan origination fee as part of the closing costs on any real estate mortgage loan to an individual, if the interest rate on the loan exceeds 10%. If the interest rate on the loan is 10% or less, a loan origination fee of not more than \$300 may be charged.

STATEMENT OF FACT

This bill limits the practice of banks charging loan origination fees as part of the closing costs for real estate mortgages. If the interest rate on the loan exceeds 10%, no fee could be imposed. If the interest rate is 10% or less, a fee not to exceed \$300 could be imposed.