

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

(New Draft of H.P. 1870, L.D. 1864)  
SECOND REGULAR SESSION

---

ONE HUNDRED AND TENTH LEGISLATURE

---

**Legislative Document** **No. 2137**

---

H. P. 2303 House of Representatives, April 1, 1982  
Reported by Representative LaPlante from the Committee on Local  
and County Government and printed under Joint Rules No. 2.  
EDWIN H. PERT, Clerk

---

STATE OF MAINE

---

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

---

**AN ACT to Clarify the Right of Local  
Housing Authorities to Issue  
Mortgage Revenue Bonds.**

---

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

**Sec. 1. 30 MRSA §4751, first ¶, 3rd sentence, as amended by PL 1969, c. 564, §6, is further amended to read:**

An authority may issue such types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds on which the principal and interest are payable; exclusively from the income and revenues of the project financed with the proceeds of such bonds; exclusively from the income and revenue of certain designated projects whether or not they are financed in whole or in part with the proceeds of such bonds; or from its revenues generally or in the case of the state authority exclusively from the proceeds of mortgages, bonds, or notes or other securities held by the ~~state~~ authority or from moneys appro-

1 priated by the State or otherwise authorized herein to be  
2 applied for payment of principal, redemption price and  
3 interest on the bonds.

4 **Sec. 2. 30 MRSA §4751**, as last amended by PL 1979, c.  
5 712, §7, is further amended by adding after the 2nd para-  
6 graph a new paragraph to read:

7 In the case of a city or town authority, no bonds may  
8 be issued the principal and interest of which are to be pay-  
9 able from the proceeds of mortgages and notes held by the  
10 authority under Article 6, unless the bonds are rated in a  
11 rating category of A, its equivalent or better, by a nation-  
12 ally recognized rating agency, and unless the authority has  
13 received consent to the issuance of these bonds from the  
14 governing body of the city or town in which the authority is  
15 established. In the case of a city authority, the bonds de-  
16 scribed in this paragraph may not be issued unless the  
17 authority has also received the consent of the governing  
18 body of any towns within the area of operation of the  
19 authority in which moneys from the issuance of the bonds may  
20 be made available. City and town authorities, considered  
21 together, shall not at any time have, in the aggregate prin-  
22 cipal amount thereof outstanding, bonds described in this  
23 paragraph in excess of \$50,000,000.

24 **Sec. 3. 30 MRSA §4756**, as repealed and replaced by PL  
25 1981, c. 620, §11, is amended to read:

26 §4756. Purchase and sale of mortgage loans

27 The state An authority may purchase or make commitments  
28 to purchase mortgage loans from any financial institution.  
29 The state An authority may also sell or make commitments to  
30 sell mortgage loans to any person or financial institution.  
31 The state An authority may exercise all rights and powers of  
32 a holder of any such mortgage loan.

33 **Sec. 4. 30 MRSA §4757, first ¶**, as last amended by PL  
34 1981, c. 620, §12, is further amended to read:

35 A mortgage loan shall not be eligible for purchase or  
36 commitment to purchase by the state an authority hereunder  
37 unless at or before the time of transfer thereof to the  
38 authority, the originating bank, life insurance company,  
39 savings and loan association, other financial institution or  
40 the United States and its agencies or instrumentalities cer-  
41 tifies:

42 **Sec. 5. 30 MRSA §4758**, as last amended by PL 1981, c.  
43 620, §13, is further amended to read:

1    §4758. Authority not obligated

2           The state An authority shall not purchase from a seller  
3 who has previously sold to the state authority mortgage  
4 loans or obligations secured by land and improvements con-  
5 stituting one-family to 4-family housing units any new mort-  
6 gage loan or obligation secured by land and improvements  
7 constituting a one-family to 4-family housing unit until  
8 such seller has completed the reinvestment in residential  
9 mortgages or notes or the purchase of such residential mort-  
10 gages or notes contemplated in section 4757 and so informed  
11 the state authority in writing, provided, ~~however,~~ that if  
12 any seller had entered into a contract with the state  
13 authority which contract provided for reinvestment of the  
14 proceeds of the sale of mortgages or obligations with cer-  
15 tain restrictions within a certain time period, compliance  
16 with the terms of such contract shall constitute compliance  
17 with this section, and any seller who is performing within  
18 the terms of the contract shall be deemed to have completed  
19 the reinvestment requirements within the meaning of this  
20 section with respect to mortgages or obligations subject to  
21 such contract. The state authority shall have the right at  
22 all times to decline to purchase or to decline to make com-  
23 mitments to purchase any mortgage loan or obligation offered  
24 or submitted to it.

25           Sec. 6. 30 MRSA §4759, as amended by PL 1981, c. 620,  
26 §14, is further amended to read:

27    §4759. Consideration for mortgage loans purchased

28           The state An authority shall pay for each mortgage loan  
29 or obligation purchased an amount not in excess of the out-  
30 standing principal balance: Discount from the principal bal-  
31 ance may be employed to effect a fair rate of return, as  
32 determined by the rate of return on comparable investment  
33 under market conditions existing at the time of purchase.  
34 In addition to the aforesaid payment of outstanding prin-  
35 cipal balance, the state authority shall pay the accrued  
36 interest due thereon on the date the mortgage loan or obli-  
37 gation is delivered to the state authority against payment  
38 therefor.

39           Sec. 7. 30 MRSA §4760, first ¶, as last amended by PL  
40 1981, c. 620, §15, is further amended to read:

41           The state An authority may authorize the issuance of  
42 revenue bonds of the authority in the manner and as provided  
43 in section 4751 for any of its authorized purposes including  
44 the purchase of mortgage loans or evidences thereof, for



1 ensures that municipal officers will have knowledge of a  
2 housing authority's activities concerning mortgage revenue  
3 bonds and that the municipality will be able to protect the  
4 use of its name on such bonds;

5         3. It requires, in the case of a city authority which  
6 has the ability, under Title 30, section 4552, subsection 1,  
7 to make mortgage money available in towns within the 10-mile  
8 radius of its area of operation, that the city authority  
9 also receive the consent of the governing bodies of any of  
10 these towns that may be affected by the issuance of the  
11 mortgage revenue bonds; and

12         4. It places a ceiling of \$50,000,000 on the aggregate  
13 amount of mortgage revenue bonds that city and town authori-  
14 ties, considered together, may have outstanding at any time.

15         The remainder of the new draft is simply necessary to  
16 reconcile this new draft with L.D. 2015, already enacted  
17 this session, which amended some of the same sections of the  
18 statutes that this new draft amends. The substantive  
19 changes to these statutes made in the bill are retained and  
20 not altered by this new draft.

21

5496033182