

# MAINE STATE LEGISLATURE

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1 (EMERGENCY)  
2 FIRST REGULAR SESSION  
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE  
5

6 Legislative Document

No. 1280

7  
8 H.P. 891

House of Representatives, April 9, 1985

9 Submitted by the Finance Authority of Maine pursuant to Joint Rule 24.  
10 Referred to the Committee on State Government. Sent up for  
concurrency and ordered printed.

11 EDWIN H. PERT, Clerk

Presented by Representative Gwadosky of Fairfield.

12 Cosponsored by Speaker Martin of Eagle Lake, President Pray of  
Penobscot and Representative Murphy of Kennebunk.

13 STATE OF MAINE  
14

15 IN THE YEAR OF OUR LORD  
16 NINETEEN HUNDRED AND EIGHTY-FIVE  
17

18 AN ACT to Reallocate Mortgage Insurance  
19 Authority from the Mortgage Insurance  
20 Program of the Finance Authority of  
21 Maine to the Maine Small Business Loan  
22 Program.  
23

24 **Emergency preamble.** Whereas, Acts of the Legis-  
25 lature do not become effective until 90 days after  
26 adjournment unless enacted as emergencies; and

27 Whereas, the Finance Authority of Maine is autho-  
28 rized to insure payment of up to 85% of mortgage  
29 loans to Maine small businesses not exceeding an ag-  
30 gregate principal amount of \$2,500,000 at any one  
31 time; and

32 Whereas, the aggregate principal amount of mort-  
33 gage loans so insured has increased to the point that  
34 the \$2,500,000 maximum may be reached in the near fu-  
35 ture; and

1           Whereas, if the \$2,500,000 maximum is reached,  
2 small businesses may not be able to obtain adequate  
3 financing at reasonable terms and rates; and

4           Whereas, the Finance Authority of Maine currently  
5 has unused loan insurance authority under its Mort-  
6 gage Insurance Program which can be reallocated on a  
7 short-term basis to the Maine Small Business Loan  
8 Program to permit the program to continue to operate  
9 without interruption; and

10           Whereas, in the judgment of the Legislature,  
11 these facts create an emergency within the meaning of  
12 the Constitution of Maine and require the following  
13 legislation as immediately necessary for the preser-  
14 vation of the public peace, health and safety; now,  
15 therefore,

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

18           Sec. 1. 10 MRSA §1024, sub-§2, ¶B, as amended by  
19 PL 1983, c. 4, is further amended to read:

20           B. In the amount required, but not exceeding in  
21 the aggregate at any one time outstanding the  
22 amount set forth in the Constitution of Maine,  
23 Article IX, Section 14-A, as it may be from time  
24 to time amended, except that bonds issued under  
25 the Constitution of Maine, Article IX, Section  
26 14-A under this subchapter shall not exceed in  
27 the aggregate at any one time outstanding the  
28 amount of ~~60,000,000~~ \$58,000,000;

29           Sec. 2. 10 MRSA §1094, first ¶, as enacted by PL  
30 1983, c. 519, §20, is amended to read:

31           The authority may, upon application of the pro-  
32 posed lender, insure loan payments to small busi-  
33 nesses required by the first mortgage on any eligible  
34 project, upon such terms and conditions as the ~~loan~~  
35 authority ~~board~~ may prescribe, provided that the ag-  
36 gregate amount of principal obligations of all mort-  
37 gages so insured outstanding at any one time shall  
38 not exceed ~~2,500,000~~ \$4,500,000. To be eligible for  
39 insurance under this subchapter a loan shall:

