

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1962

6
7 H.P. 1391

House of Representatives, February 3, 1986

8 Approved for introduction by a majority of the Legislative Council
pursuant to Joint Rule 26.

9 Reference to the Committee on Business and Commerce suggested and
ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Diamond of Bangor.

Cosponsored by Representative Cote of Auburn, Senator Bustin of
Kennebec and Representative Rydell of Brunswick.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-SIX
16

17 AN ACT to Promote Fairness for Home Buyers.
18

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

21 9-B MRSA §429, sub-§2, as repealed and replaced
22 by PL 1983, c. 679, §2, is amended to read:

23 2. Payment of interest or dividends. Each mort-
24 gagee holding funds of a mortgagor in an escrow ac-
25 count on behalf of itself or another mortgagee for
26 the payment of taxes or insurance premiums with re-
27 spect to mortgaged property located in this State
28 shall pay the mortgagor, at least quarterly, divi-
29 dends or interest on the account at a rate of not
30 less than 3% per year. The dividends or interest
31 paid under this subsection may not be reduced by any
32 charge for service or maintenance of the account.

33 Notwithstanding this subsection, when an escrow ac-
34 count is required as a condition to the making of a
35 mortgage, the mortgagee shall pay the mortgagor, at

least quarterly, dividends or interest on the account at a rate of not less than the fair market interest rate as determined by rule of the superintendent.

STATEMENT OF FACT

This bill requires mortgagees who require mortgagors to pay into an escrow account to pay interest on the accounts at a fair market rate.

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