

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 759

H.P. 561 House of Representatives, March 13, 1987  
Reference to the Committee on Banking and Insurance  
suggested and ordered printed.

EDWIN H. PERT, Clerk  
Presented by Representative BAKER of Portland.

STATE OF MAINE

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

1 AN ACT Concerning Residential Mortgages.  
2

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

5 9-B MRSA §434, sub-§1-A is enacted to read:

6 1-A. Notification requirement; penalty. Any fi-  
7 ncial institution which has sold a loan secured by  
8 an interest in land or participation interest held by  
9 it to another lender or other lenders, as allowed un-  
10 der subsection 1, shall give notice of the sale of  
11 the loan or participation interest to the original  
12 borrower no less than 10 days after the actual date  
13 of transfer. The notification must include the name,  
14 address and telephone number of the person who will  
15 assume responsibility for servicing and will accept  
16 payments for the mortgage loan. The notification

HOUSING MORTGAGE ACT

1 must include a detailed written financial breakdown,  
2 including, but not limited to, interest rate, monthly  
3 payment amount and current escrow balance.

4 If a lender fails to comply with the requirements of  
5 this subsection, the lender is liable to the borrower  
6 for \$500 per occurrence, in addition to actual dam-  
7 ages caused by the violation.

8 STATEMENT OF FACT

9 The purpose of this bill is to ensure that a bor-  
10 rower is notified when his mortgage is sold on the  
11 secondary market. The bill specifies that notifica-  
12 tion must be made within 10 days of the transfer.  
13 The notification must include information necessary  
14 to contact the purchaser of the loan, as well as oth-  
15 er financial information regarding the loan. Any  
16 lender failing to comply will be liable to the bor-  
17 rower for actual damages plus \$500 per occurrence.

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