

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)

(EMERGENCY)
(New Draft of S.P. 168, L.D. 472)
(New Title)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1817

S.P. 616

In Senate, June 11, 1987

Reported by Senator Andrews of Cumberland for the Committee on Economic Development and printed under Joint Rule 2. Original Bill sponsored by Senator Theriault of Aroostook. Cosponsored by: Representative Clark of Millinocket, Representative Lisnik of Presque Isle, Speaker Martin of Eagle Lake.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

1 **AN ACT to Provide for the Compilation of Data**
2 **and Information Relating to Reasons**
3 **for Residential Mortgage Foreclosures**
4 **in Maine.**
5

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

9 Whereas, there is very limited information relat-
10 ing to residential mortgage foreclosures in the
11 State; and

1 Whereas, there are many banks, including federal-
2 ly chartered banks, savings and loan banks and mort-
3 gage companies which are not required to report to
4 the Bureau of Banking; and

5 Whereas, the State has experienced the loss or
6 decline of several significant employers or firms
7 which has created serious economic dislocation in
8 several regions of the State; and

9 Whereas, a number of families may have lost their
10 homes or may lose their homes as industries and re-
11 gions experience further economic distress; and

12 Whereas, the extent of the impact of economic
13 distress upon residential mortgagees needs to be de-
14 termined before any remedial approaches can be devel-
15 oped; and

16 Whereas, the data and information required for
17 this study needs to be developed as soon as possible;
18 and

19 Whereas, in the judgment of the Legislature,
20 these facts create an emergency within the meaning of
21 the Constitution of Maine and require the following
22 legislation as immediately necessary for the preser-
23 vation of the public peace, health and safety; now,
24 therefore,

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

27 **Sec. 1. Study and analysis.** The Maine State
28 Housing Authority shall conduct a study of residen-
29 tial mortgage foreclosures in the State to determine
30 the underlying reasons for these foreclosures.

31 **Sec. 2. Bureau of Banking.** The Bureau of Bank-
32 ing shall cooperate with the Maine State Housing Au-
33 thority by providing data and other information nec-
34 essary for the Maine State Housing Authority to con-
35 duct this study and by encouraging financial institu-
36 tions and private mortgage lenders to work with the
37 Maine State Housing Authority to undertake this
38 study.

1 Sec. 3. State agencies. The State Development
2 Office, the State Planning Office, the Department of
3 Labor and regional planning and economic development
4 organizations shall cooperate with the Maine State
5 Housing Authority by providing the authority with ec-
6 onomic data reflecting economic conditions of the
7 State and the ability of homeowners to make mortgage
8 payments, such as plant closing data, unemployment
9 data and any other information that the Maine State
10 Housing Authority finds necessary to conduct this
11 study.

12 Sec. 4. Residential mortgage holding institu-
13 tions. The Governor and Legislature invite and urge
14 financial institutions and private mortgage companies
15 holding mortgages of residential property in this
16 State to cooperate with the Maine State Housing Au-
17 thority and provide the Maine State Housing Authority
18 with historic and current data and information about
19 foreclosures on residential mortgages held by these
20 institutions and companies.

21 Sec. 5. Report The Maine State Housing Authori-
22 ty shall report the findings of its study and any
23 necessary implementing legislation designed to remedy
24 the problem to the Joint Standing Committee on Eco-
25 nomic Development to the First Regular Session of
26 the 114th Legislature.

27 Emergency clause. In view of the emergency cited
28 in the preamble, this Act shall take effect when ap-
29 proved.

1

STATEMENT OF FACT

2 The intent of the new draft is to develop data
3 and information describing the extent of foreclosures
4 in Maine, the underlying reasons for foreclosures on
5 residential mortgages and the extent to which econom-
6 ic dislocation is the cause of these foreclosures.
7 The Maine State Housing Authority shall conduct the
8 study with the cooperation of the Bureau of Banking,
9 the State Planning Office, the State Development Of-
10 fice, the Department of Labor and regional economic
11 development organizations. The Maine State Housing
12 Authority will report the findings of this study
13 along with any necessary implementing legislation to
14 the First Regular Session of the 114th Legislature.

15

3191060887