

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)

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48

STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 363, L.D. 517, Bill, "An Act Concerning the Payment of Interest on Mandatory Escrow Balances"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 33 MRSA §504 is enacted to read:

§504. Interest on residential mortgage escrow accounts

1. Loan provisions required. A mortgage deed resulting from a mortgage loan must contain provisions for payment of interest on the escrow balance in accordance with Title 9-B, section 429 if:

A. The mortgage is on owner-occupied residential property of not more than 4 units; and

B. The loan or note requires payments into a mandatory escrow account.

2. Applicability. The requirements of this section apply to any residential mortgage deed dated on or after January 1, 1992.

Sec. 2. 33 MRSA §767, as enacted by PL 1967, c. 377, is amended to read:

§767. Mortgage deed

A deed in substance following the form entitled "Mortgage Deed" shall when duly executed have has the force and effect of a mortgage deed to the grantee, his the grantee's heirs and assigns, to him the grantee and their use and behoof forever,

C
O
M
M
I
T
T
E
E
A
M
E
N
D
M
E
N
T

2 with covenants on the part of the grantor, for himself the
3 grantor, with the grantee, his the grantee's heirs and assigns,
4 that at the time of the delivery of such mortgage deed he the
5 grantor was lawfully seized in fee of the premises, that they
6 were free of all encumbrances, that he the grantor had good right
7 to sell and convey the same to the grantee to hold as aforesaid,
8 and that he the grantor and his the grantor's heirs shall and
9 will warrant and defend the same to the said grantee, his the
10 grantee's heirs and assigns forever, against the lawful claims
11 and demands of all persons; and with mortgage covenants and upon
12 the statutory condition as defined in sections 768 and 769 to
13 secure the payment of the money or the performance of any
14 obligation therein specified. The parties may insert in such
15 mortgage any other lawful agreement or condition. If section 504
16 or Title 9-B, section 429 or a mortgage loan or mortgage note
17 requires the payment of interest on a mandatory escrow account,
18 that requirement must be stated in the mortgage deed.'

18

20

STATEMENT OF FACT

22

23 This amendment requires that provisions for payment of
24 interest on an escrow account be contained in the mortgage deed
25 and adds an applicability date of January 1, 1992. It also
26 changes the language in the mortgage deed laws to gender-neutral
language.

Reported by the Committee on Banking and Insurance
Reproduced and distributed under the direction of the Clerk of the
House
(4/9/91) (Filing No. H-104)