

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 517

H.P. 363

House of Representatives, February 11, 1991

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative RYDELL of Brunswick.

Cosponsored by Senator BRANNIGAN of Cumberland, Senator KANY of Kennebec and Representative TRACY of Rome.

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STATE OF MAINE

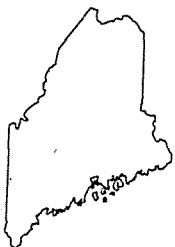
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act Concerning the Payment of Interest on Mandatory Escrow  
Balances.**

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

2  
33 MRSA §504 is enacted to read:

4  
**§504. Interest on residential mortgage escrow accounts**

6  
7 A mortgage note for a mortgage loan on owner-occupied  
8 residential property consisting of not more than 4 dwelling units  
9 located in this State that requires payments into a mandatory  
10 escrow account must contain provisions for payment of interest on  
11 the escrow balance in accordance with Title 9-B, section 429.  
12

14  
**STATEMENT OF FACT**

16 This bill requires that mortgage notes contain provisions  
17 for the payment of interest on any mandatory escrow accounts for  
18 owner-occupied residential property of not more than 4 units.  
19 Current law requires that interest be paid by state-chartered  
20 financial institutions and licensed mortgage companies. This  
21 bill extends coverage to federally-chartered financial  
22 institutions and will protect Maine citizens when their loans are  
23 sold on the secondary mortgage market.  
24