

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1871

H.P. 1294

House of Representatives, May 16, 1991

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.
Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script, reading "Ed Pert".

EDWIN H. PERT, Clerk

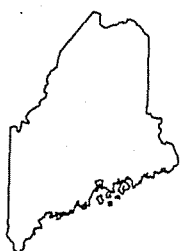
Presented by Representative MITCHELL of Freeport.
Cosponsored by Senator CLARK of Cumberland.

STATE OF MAINE

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

**An Act to Amend the Banking Laws to Allow Nonprofit Groups to
Develop Affordable Housing.**

(AFTER DEADLINE)



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

2 Sec. 1. 9-A MRSA §1-202, sub-§7, as amended by PL 1987, c.
4 129, §10, is further amended to read:

6 7. A loan or consumer credit sale made exclusively for the
8 purpose of deferring or financing educational expenses and on
10 which the finance charge does not exceed that rate per year on
12 the unpaid balances of the amount financed, as shall--be
14 established by federal law, or, for loans or consumer credit
16 sales for which federal law does not establish a rate, the
18 highest rate established for educational loans under any federal
20 program and which that is insured, guaranteed, subsidized or made
22 directly by the Federal Government, a state, a nonprofit private
24 loan guaranty or organization, by the educational institution
26 itself or through an endowment or trust fund affiliated with such
28 an institution; or

30 Sec. 2. 9-A MRSA §1-202, sub-§8, ¶C, as amended by PL 1987, c.
32 396, §2, is further amended to read:

34 C. With respect to a creditor other than a supervised
36 financial organization, the exemption provided by this
38 subsection shall-apply applies to articles II, III, IV and V
40 only; or

42 Sec. 3. 9-A MRSA §1-202, sub-§10 is enacted to read:

44 10. A loan or credit sale made by a creditor to a
46 moderate-income, low-income or very low-income person to finance
48 the acquisition of real estate by that person from the creditor,
50 when the creditor is a nonprofit corporation chartered to provide
52 affordable housing to residents of this State and when part of
54 the purpose of the loan or credit sale is to establish covenants
56 controlling or maintaining the affordability of the real estate
58 to a moderate-income, low-income and very low-income person.

60 STATEMENT OF FACT

62 This bill exempts from the provisions of the Maine Consumer
64 Credit Code a loan or credit sale to a moderate-income,
66 low-income or very low-income person by a creditor that is a
68 nonprofit corporation when part of the purpose of the sale is to
70 establish or maintain affordable housing.