

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1992

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Legislative Document

No. 2223

H.P. 1576

House of Representatives, January 27, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.  
Reference to the Committee on Judiciary suggested and ordered printed.

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

EDWIN H. PERT, Clerk

Presented by Representative OLIVER of Portland.

Cosponsored by Representative CARROLL of Gray, Representative GEAN of Alfred and Representative TREAT of Gardiner.

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STATE OF MAINE

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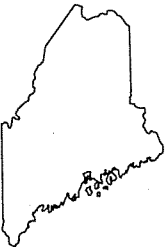
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-TWO

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**An Act to Prevent Foreclosures on Residential Mortgages.**

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(EMERGENCY)



2           **Emergency preamble.** Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4           Whereas, residential real estate mortgages are falling into  
6 default at an alarming rate due to the economic times; and

8           Whereas, Maine residents risk losing their homes as a result  
of these foreclosures; and

10           Whereas, many Maine residents could perform their  
12 obligations under their mortgages in alternative ways that could  
yield the mortgagees more than the mortgagees may otherwise  
14 obtain; and

16           Whereas, binding arbitration could provide the structure for  
the alternative performance of the mortgage obligation; and

18           Whereas, in the judgment of the Legislature, these facts  
20 create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
22 necessary for the preservation of the public peace, health and  
safety; now, therefore,

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

26           **Sec. 1. 14 MRSA §6201, first ¶ is amended to read:**

28           After breach of the condition and after binding arbitration  
30 performed by a member of the State Board of Arbitration and  
Conciliation for all mortgages of single-family, owner-occupied  
32 residences, if the mortgagee or anyone claiming under him the  
mortgagee desires to obtain possession of the premises for the  
34 purpose of foreclosure, he the mortgagee or anyone claiming under  
the mortgagee may proceed in either of the following ways.

36           **Sec. 2. 14 MRSA §6203, first ¶ is amended to read:**

38           If, after breach of the condition and after binding  
40 arbitration performed by a member of the State Board of  
Arbitration and Conciliation for all mortgages of single-family,  
42 owner-occupied residences, the mortgagee or any person claiming  
under him the mortgagee is not desirous of taking and holding  
44 possession of the premises, he the mortgagee or any person  
claiming under the mortgagee may proceed for the purpose of  
46 foreclosure in either of the following modes.

48           **Sec. 3. 26 MRSA §937-A is enacted to read:**

50           §937-A. Binding arbitration of mortgage foreclosure matters

