

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 360

S.P. 122

In Senate, February 9, 1993

An Act Regarding Escrow Accounts of Taxes and Insurance by Mortgagees.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CLEVELAND of Androscoggin.

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

4 Sec. 1. 9-B MRSA §429, sub-§3-A is enacted to read:

6 3-A. Escrow accounts allowed. A mortgagee may hold funds
8 of a mortgagor in an escrow account on behalf of itself or
10 another mortgagee for the payment of taxes or insurance premiums
12 with respect to mortgaged property located in this State under
14 the following terms:

16 A. The mortgagee must comply with the provisions of this
18 section; and

20 B. The placement of funds in escrow must be contained in
22 the terms of the mortgage or after the date of the mortgage
24 the mortgagor must agree to the placement of funds in escrow.

STATEMENT OF FACT

This bill requires mortgagees to state in the mortgage the requirement of an escrow account for the payment of taxes and insurance premiums or to obtain the agreement of the mortgagor to the establishment of an escrow account.