

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 177, L.D. 591, Bill, "An Act Related to Mortgage Companies"

Amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 9-A MRSA §6-203, sub-§§3-A, 3-B and 4-B are enacted to read:

3-A. Notwithstanding subsections 2 and 3, lenders who are supervised financial organizations shall pay a volume fee of \$20 for each \$100,000, or part thereof, of the original unpaid balances arising from or taken by assignment from consumer credit transactions entered into in this State during the previous calendar year.

3-B. Notwithstanding subsections 2 and 3, lenders who are supervised lenders making loans secured by an interest in land shall pay a volume fee of \$15 for each \$100,000, or part thereof, of the original unpaid balances arising from consumer credit transactions entered into in this State during calendar year 1993 and \$20 per \$100,000 of such balances from transactions entered into during subsequent calendar years.

4-B. The administrator shall institute rule-making proceedings prior to December 31, 1994 and at least every 24 months thereafter and, notwithstanding subsections 2, 3, 3-A and 3-B, as a result of the proceedings may adopt rules that increase or decrease the fees set forth in subsections 2, 3, 3-A and 3-B. The administrator shall consider the following factors when adopting the rules: changing economic conditions; the portion of staff time expended relative to various categories and sizes of

business on complaint resolution, product review, consumer education and enforcement activities; the need for maintenance of adequate reserves without retention of excessive carryover balances; and the bureau's administrative expenses in relation to the various categories and transaction volumes of lenders, lessors, sellers and assignees. The fees set by rule pursuant to this subsection may not exceed \$30 for every \$100,000 of the original unpaid balances subject to subsections 2, 3, 3-A and 3-B.

FISCAL NOTE

	1993-94	1994-95
REVENUES		
Other Funds	\$71,250	\$95,000

The collection of volume fees from previously exempted mortgage companies will increase volume fee collections. The estimated increases of dedicated revenues to the Bureau of Consumer Credit Protection are \$112,500 and \$150,000 in fiscal years 1993-94 and 1994-95, respectively.

The reduction of volume fees paid by state-chartered financial institutions will reduce the volume fee collections. The estimated reductions of dedicated revenues to the Bureau of Consumer Credit Protection are \$41,250 and \$55,000 in fiscal years 1993-94 and 1994-95, respectively.

The net impact to the Bureau of Consumer Credit Protection from these changes in the volume fee structure is an increase in dedicated revenues of \$71,250 and \$95,000 in fiscal years 1993-94 and 1994-95, respectively. This increase in revenues may enable the bureau to avoid the planned layoffs of a Senior Consumer Credit Examiner position and a Receptionist position in fiscal year 1994-95.

The Bureau of Consumer Credit Protection will incur some minor additional costs to adopt rules relating to certain volume fees. These costs can be absorbed within the bureau's existing budgeted resources.

STATEMENT OF FACT

This amendment establishes a phase-in period for mortgage company volume fees. In January 1994, such lenders would pay fees based on the volume of 1993 loans at the rate of \$15 per \$100,000. In January 1995 and thereafter, each would pay at the rate of \$20 per \$100,000.

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2 The amendment reduces volume fees paid by state-chartered
4 banks and credit unions, which currently pay an additional
assessment to the Bureau of Banking, from \$25 to \$20 per \$100,000
6 of consumer loans and credit.

8 The amendment requires rulemaking to establish fees by
December 31, 1994 and at least every 2 years thereafter,
10 establishes a cap of \$30 per \$100,000 on the fees adopted by rule
and sets criteria to guide the Superintendent of Consumer Credit
12 Protection in adopting the rules.

14 The amendment also adds a fiscal note to the bill.

Reported by Senator McCormick for the Committee on Banking
and Insurance. Reproduced and Distributed Pursuant to Senate
Rule 12.

(5/7/93)

(Filing No. S-121)

COMMITTEE AMENDMENT