

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

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Legislative Document

No. 591

S.P. 177

In Senate, February 23, 1993

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**An Act Related to Mortgage Companies.**

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Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

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

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BRANNIGAN of Cumberland.  
Cosponsored by Representative: CARLETON of Wells.

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

4 Sec. 1. 9-A MRSA §6-203, sub-§2, as amended by PL 1987, c.  
5 590, is further amended to read:

6 2. Persons required to file notification who are sellers,  
7 lessors or lenders shall pay an additional fee, at the time and  
8 in the manner stated in subsection 1, of \$25 for each \$100,000,  
9 or part thereof, of the original unpaid balances arising from  
10 consumer credit transactions, ~~except those secured by an interest~~  
11 ~~in land in which the rate of finance charge disclosed is 12-1/4%~~  
12 ~~or less, and which are not variable rate transactions in which~~  
13 ~~the annual percentage rate has the capacity to exceed 12-1/4%~~  
14 ~~during the term of the transaction,~~ entered into in this State  
15 within the preceding calendar year and held either by the seller,  
16 lessor, or lender for more than 30 days after the inception of  
17 the sale, lease or loan giving rise to the obligations, or by an  
18 assignee who has not filed notification. A refinancing of a  
19 sale, lease or loan resulting in an increase in the amount of an  
20 obligation is considered a new sale, lease or loan to the extent  
21 of the amount of the increase.

22 Sec. 2. 9-A MRSA §6-203, sub-§4-B is enacted to read:

23 4-B. The administrator may increase or decrease the fee set  
24 forth in subsections 2 and 3 by adopting rules pursuant to this  
25 section at such time as economic conditions warrant, but at no  
26 time may that fee exceed \$35 for every \$100,000, or part thereof,  
27 of the original unpaid balances arising from consumer credit  
28 transactions or of the unpaid balances at the time of the  
29 assignment of obligations arising from consumer credit  
30 transactions entered into in this State taken by assignment  
31 during the previous calendar year.

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STATEMENT OF FACT

40 This bill allows the Bureau of Consumer Credit Protection to  
41 assess volume fees on mortgage company loans with annual  
42 percentage rates of less than 12 1/4%. Currently, such loans are  
43 exempt from volume fees. This bill also provides flexibility  
44 for volume fee setting by rule within a specified range to allow  
45 for decreases or increases according to fluctuating lending  
46 levels. This regulatory authority is based upon similar  
47 mechanisms currently in place at the Maine Bureau of Banking, the  
48 Bureau of Insurance and the Maine Real Estate Commission.