

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 725

S.P. 275

In Senate, March 7, 1995

An Act to Clarify the Discharge of Mortgages.

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

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator RAND of Cumberland.

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

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Sec. 1. 33 MRSA §553-A, sub-§5, as enacted by PL 1993, c. 534, §2, is amended to read:

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5. Exception. A mortgage may not be discharged as provided by this section if the holder of the mortgage at the time a discharge is sought is a financial institution or credit union authorized to do business in the State as defined by in Title 9-B, section 131, subsection 12-A or 17-A.

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STATEMENT OF FACT

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This bill clarifies that the procedure for the discharge of certain mortgages does not apply if the holder of the mortgage is a credit union authorized to do business in the State. Under current law, "credit union" is not included in the definition of "financial institution" under the banking code except under limited circumstances. This bill clarifies that credit unions holding mortgages are to be treated on an equal basis as are other financial institutions under state law.