

# MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

Reported by: Senator La Fountain

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STATE OF MAINE
SENATE
118TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 207, L.D. 666, Bill, "An Act to Amend the Maine Consumer Credit Code to Permit Reverse Mortgages"

Amend the bill by inserting after the title and before the enacting clause the following:

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

Whereas, reverse mortgages are special open-end financing programs designed to let elderly persons unlock the equity in their homes without requiring repayment until those persons die or cease to live in the home as a principal residence; and

Whereas, reverse mortgages offer many elderly persons the ability to remain in their homes; and

Whereas, there are elderly persons in Maine urgently waiting to use reverse mortgages to stay in their homes; and

Whereas, federal secondary market agencies like the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association are now offering reverse mortgage programs; and

Whereas, current law prohibits Maine lenders and federal agencies from offering nationally accepted reverse mortgages in this State; and

Whereas, this legislation amends the Maine Consumer Credit Code to allow these types of reverse mortgages to be offered in this State; and

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to S.P. 207, L.D. 666

2           **Whereas,** this legislation needs to be enacted to allow  
Maine's elderly residents immediate access to reverse mortgages;  
and

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

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12           Further amend the bill by inserting at the end before the  
summary the following:

14           '**Emergency clause.** In view of the emergency cited in the  
preamble, this Act takes effect when approved.

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**FISCAL NOTE**

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20           The additional workload and administrative costs associated  
with the minimal number of new cases filed in the court system  
can be absorbed within the budgeted resources of the Judicial  
22 Department. The collection of additional fines may increase  
General Fund revenue by minor amounts.'

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**SUMMARY**

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28           This amendment adds an emergency preamble, an emergency  
clause and a fiscal note to the bill.

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