

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1997

Legislative Document

No. 1929

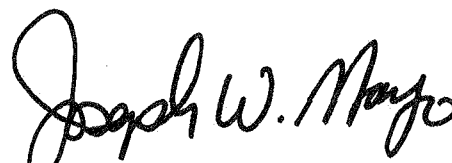
H.P. 1376

House of Representatives, December 10, 1997

**An Act Concerning Notices Given in Connection with Mortgage
Foreclosures.**

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 8, 1997. Referred to the Committee on Banking and Insurance pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.


JOSEPH W. MAYO, Clerk

Presented by Representative SAXL of Bangor.

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

2
4 Sec. 1. 14 MRSA §6111, sub-§3, as amended by PL 1995, c. 654,
§3, is further amended to read:

6 3. Notice procedure. A mortgagee gives shall provide
8 notice to a mortgagor and any cosigner under this section by
mailing the notice by certified mail, return receipt requested.
10 If the notice is undeliverable by certified mail, the mortgagee
must send the notice to the mortgagor and any cosigner by
12 ordinary mail. The time when notice is given is the date the
mortgagor or any cosigner signs the receipt or, if the notice is
14 undeliverable by certified mail, the date the notice was sent by
ordinary mail, to the last known address of the mortgagor and
16 cosigner by one of the following methods:

18 A. By certified mail, return receipt requested. For the
purposes of this paragraph, the time when the notice is
20 given is the date the mortgagor or cosigner signs the
receipt or, if the notice is undeliverable, the date the
22 post office last attempts to deliver it; or

24 B. By ordinary first class mail, postage prepaid. For the
purposes of this paragraph, the time when the notice is
26 given is the date when the mortgagor or cosigner receives
that notice. A post office department certificate of
28 mailing to the mortgagor or cosigner is conclusive proof of
receipt on the 3rd calendar day after mailing.

30 Sec. 2. 14 MRSA §6111, sub-§4, as enacted by PL 1995, c. 654,
32 §4, is repealed.

34 Sec. 3. 14 MRSA §6111, sub-§5 is enacted to read:

36 5. Exceptions. This section does not apply to mortgages
securing obligations that constitute a consumer credit
38 transaction as defined in Title 9-A, section 1-301, subsection 12
or that are made by a supervised lender as defined in Title 9-A,
40 section 1-301, subsection 39 or to foreclosures of any such
mortgages commenced on or after January 1, 1995.

42 SUMMARY

44 The 1995 amendments to the Maine Revised Statutes, Title 14,
46 section 6111 are inconsistent with the provisions of Title 9-A,
section 5-110, applicable to consumer credit transactions, and
48 the provisions of the standard so-called Fannie Mae/Freddie Mac
uniform mortgages that are utilized by supervised lenders so that
50 these mortgages are marketable on the secondary market, thus

2 reducing expenses for consumers. These amendments may cause
3 title problems and do cause confusion to consumers in that, under
4 current law, consumers must receive up to 3 different notices,
5 all with different deadlines and requirements.

6 This bill eliminates the possibility of inconsistencies and
7 confusion. Consumers' rights to cure defaults with respect to
8 mortgages that are consumer credit transactions are governed by
9 the Maine Consumer Credit Code and, with respect to mortgages
10 made by supervised lenders that are not consumer credit
11 transactions, are governed by the provisions of the Fannie
12 Mae/Freddie Mac uniform mortgage instruments.