

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1600

H.P. 1177

House of Representatives, March 13, 2001

An Act to Provide Relief from High Fuel Costs.

Reference to the Committee on Business and Economic Development suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative MENDROS of Lewiston.
Cosponsored by Senator SHOREY of Washington and
Representatives: CRESSEY of Baldwin, MARLEY of Portland, MICHAEL of Auburn,
SCHNEIDER of Durham, Senators: DAVIS of Piscataquis, SAWYER of Penobscot.

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

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Sec. 1. 10 MRSA §1026-T is enacted to read:

§1026-T. Loan insurance for purpose of buying home heating fuel

1. Scope of section. This section applies to individual residents of the State for the purpose of providing for the guarantee of loans up to \$1,000 to enable individuals to lock in the purchase price of home heating fuel at a prewinter heating season rate.

2. Loan insurance eligibility. The authority may insure loan payments under this section as long as:

A. The loan has a maturity of 12 months or less; and

B. The borrower is an individual who is a resident of the State and is not eligible for the Low-income Home Energy Assistance Program.

Repayment of the loan may be unsecured if the borrower has a good credit record:

3. Insurance. Any loan insurance provided pursuant to this section is subject to the following:

A. The original principal amount of loan insurance may not exceed \$1,000;

B. The authority may insure up to 100% of the loan payment; and

C. The authority may charge an insurance premium of up to 1%.

4. Limitation on loan insurance. The authority may not at any time have, in the aggregate amount of principal and interest outstanding, loan insurance obligations pursuant to this section exceeding \$10,000,000 less the outstanding balance of any bonds under section 1024, subsection 2 with respect to obligations incurred under this section.

SUMMARY

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4 This bill provides for the guarantee of loans up to \$1,000
by the Finance Authority of Maine for individuals who are
6 residents of the State and are not eligible for the Low-income
Home Energy Assistance Program to lock in the purchase price of
home heating fuel at a prewinter heating season rate.