

MAINE STATE LEGISLATURE

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BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 310, L.D. 969, Bill, "An Act To Ensure Equity in Mortgage Volume Fees"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 9-A MRSA §6-203, sub-§2, as amended by PL 1993, c. 268, §1, is further amended to read:

2. Persons required to file notification who are sellers, lessors or lenders shall pay an additional fee, at the time and in the manner stated in subsection 1, of \$25 for each \$100,000, or part thereof, of the original unpaid balances arising from consumer credit transactions entered into in this State within the preceding calendar year and held either by the seller, lessor or lender for more than 30 days after the inception of the sale, lease or loan giving rise to the obligations, or by an assignee who has not filed notification. ~~A refinancing of a sale, lease or loan resulting in an increase in the amount of an obligation is considered a new sale, lease or loan to the extent of the amount of the increase.~~

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

2-A. For purposes of assessing fees under this section, a refinancing of a sale, lease or loan made by the original

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creditor of the obligation that results in an increase in the amount of an obligation over the unpaid principal balance of the prior sale, lease or loan is considered a new sale, lease or loan to the extent of the amount of the increase, and volume fees must be paid on the amount of the increase. Volume fees must be paid on the full amount of a refinancing of a sale, lease or loan made by a creditor other than the original creditor.

Sec. 3. Committee to Study the Revenue Sources of the Office of Consumer Credit Regulation. The Committee to Study the Revenue Sources of the Office of Consumer Credit Regulation, referred to in this section as "the committee," is established.

1. Membership. The committee consists of 14 members, as follows:

A. Two members of the Joint Standing Committee on Business, Research and Economic Development, one who is a member of the Senate appointed by the President of the Senate and one who is a member of the House of Representatives appointed by the Speaker of the House of Representatives;

B. Two members of the Joint Standing Committee on Insurance and Financial Services, one who is a member of the Senate appointed by the President of the Senate and one who is a member of the House of Representatives appointed by the Speaker of the House of Representatives;

C. The Commissioner of Professional and Financial Regulation or the commissioner's designee;

D. The director of the office;

E. Four persons appointed by the Speaker of the House of Representatives as follows: one person who represents the nonbank mortgage lending industry, one person who represents automobile dealers or automobile sales finance companies, one person who represents debt collectors and one person who represents credit reporting agencies; and

F. Four persons appointed by the President of the Senate as follows: one person who represents mortgage loan servicers, one person who represents credit services organizations or loan brokers and 2 members of the general public who have utilized the services of the office.

All appointments required by this subsection must be made no later than 30 days following the effective date of this Act. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed.

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2 Within 15 days after appointment of all members, the chairs shall
call and convene the first meeting of the committee.

4 **2. Chairs.** The first-named Senator is the Senate chair of
the committee and the first-named member of the House is the
6 House chair of the committee.

8 **3. Duties.** The committee shall study the following issues:

10 A. The duties associated with regulating the various types
of businesses and individuals whose activities come within
12 the jurisdiction of the Department of Professional and
Financial Regulation, Office of Consumer Credit Regulation,
14 referred to in this section as "the office";

16 B. The resources of time and expenditures required to
perform those duties under paragraph A, including a review
18 of the costs of administering laws and regulations
applicable to licensed and registered companies and the
20 costs of regulating unlicensed or unregistered companies;
the costs of receiving, analyzing and resolving consumer
22 complaints and conducting compliance examinations;
responding to requests from regulated parties for
24 information, interpretations and rulings; participating in
the legislative process; responding to legislative
26 initiatives; and conducting consumer education and outreach
activities. The analysis of consumer complaints must include
28 an evaluation of the number and sources of complaints filed
with the office over the most recent 5-year period, the time
30 taken to resolve those complaints and the outcome of the
complaints;

32 C. The sources and amounts of revenue collected by the
34 office, including a review of the current creditor and
nonbank lender volume fee structure, as well as the various
36 license and registration fees, compliance examination
reimbursement assessments, investigatory cost reimbursement
38 assessments and all other sources of revenue; and

40 D. The relationship over the most recent 10-year period
between the actual costs of administering the office and the
42 amount of revenue collected by the office. That analysis
must include a review of the unexpended balances carried
44 forward by the office in each fiscal year and the amount and
purposes of any transfers from the office's budget to other
46 state agencies for overhead or other administrative purposes.

48 The committee may make recommendations in its report on any issue
in this subsection, including recommendations on amending the
50 existing creditor and nonbank lender volume fee structure.

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2 **4. Staffing and meetings.** Upon approval of the Legislative
4 Council, the Office of Policy and Legal Analysis shall provide
6 staffing services to the committee. The committee is authorized
to meet 3 times to conduct the duties set forth in subsection 1
and to prepare the report referenced in subsection 6.

8 **5. Compensation.** Members of the committee who are
10 Legislators are entitled to the legislative per diem, as defined
12 in the Maine Revised Statutes, Title 3, section 2, and
14 reimbursement for necessary expenses incurred for their
16 attendance at authorized meetings of the committee. Other
18 members of the committee who are not otherwise compensated by
their employers or other entities that they represent are
entitled to receive reimbursement of necessary expenses and, upon
a demonstration of financial hardship, a per diem equal to the
legislative per diem for their attendance at authorized meetings
of the committee.

20 **6. Report.** The committee shall submit a report to the
22 Joint Standing Committee on Business, Research and Economic
24 Development and to the Joint Standing Committee on Insurance and
26 Financial Services no later than December 10, 2003. The
28 committee may submit legislation to the Legislature to implement
its recommendations not later than January 5, 2004. If the
committee requires a limited extension of time to complete its
report, it may apply to the Legislative Council, which may grant
the extension.

30 **7. Funding.** All costs of the committee are funded using
32 unobligated Other Special Revenue funds within the office.

34 **Sec. 4. Appropriations and allocations.** The following
36 appropriations and allocations are made.

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38 **Committee to Study the Revenue**
40 **Sources of the Office of Consumer**
 Credit Regulation

42 Initiative: Provides for the allocation of funds to authorize
44 operating expenditures to support the costs of the committee.
46 These funds are derived from unobligated dedicated funds that
will be transferred from the Office of Consumer Credit Regulation
in the Department of Professional and Financial Regulation to the
Legislature at the beginning of the fiscal year.
48

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	2003-04	2004-05
Other Special Revenue Funds		
Personal Services	\$660	\$0
All Other	2,550	0
Other Special Revenue Funds Total	\$3,210	\$0'

SUMMARY

This amendment replaces the bill. The amendment enacts a provision clarifying the State's policy on payment of volume fees upon refinancing a sale, lease or loan. The amendment also creates the 14-member Committee to Study the Revenue Sources of the Office of Consumer Credit Regulation. The committee is funded from Other Special Revenue funds within the Department of Professional and Financial Regulation, Office of Consumer Credit Regulation and is required to submit its report to the Joint Standing Committee on Business, Research and Economic Development and to the Joint Standing Committee on Insurance and Financial Services no later than December 10, 2003.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 969

An Act To Ensure Equity in Mortgage Volume Fees

LR 1647(02)

Fiscal Note for Bill as Amended by Committee Amendment 'A' S-186

Committee: Business, Research and Economic Development

Fiscal Note Required: Yes

Fiscal Note

Current Costs - Legislative Study - Other Special Revenue Funds

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Appropriations/Allocations				
Other Special Revenue Funds	\$3,210	\$0	\$0	

Fiscal Detail and Notes

This bill creates a 14 member study committee and will require an allocation of Other Special Revenue funds of \$3,210 in fiscal year 2003-04 to authorize operating expenditures from dedicated funds that will be transferred from the Office of Consumer Credit Regulation in the Department of Professional and Financial Regulation. This legislation specifies that all costs of the committee are funded utilizing unobligated Other Special Revenue funds and it is recommended that specific transfer language be included in the bill requiring the department to transfer funds at the beginning of the fiscal year to the Legislature for the costs of the study. Any additional costs to the Department of Professional and Financial Regulation in implementing this bill can be absorbed by the department utilizing existing budgeted resources.