

MAINE STATE LEGISLATURE

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L.D. 1286

DATE: 5/10/05

(Filing No. H-309)

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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 883, L.D. 1286, Bill, "An Act To Require Additional Disclosure Regarding Private Mortgage Insurance"

Amend the bill in section 1 in that part designated "~~§506.~~" by striking out all of the indented paragraph (page 1, lines 7 to 14 in L.D.) and inserting in its place the following:

'With respect to a mortgage loan on residential real property for which the processor or underwriter of that loan also engages in the business of private mortgage insurance, a supervised lender, as defined in Title 9-A, section 1-301, subsection 39, or a credit services organization, as defined in Title 9-A, section 10-102, shall disclose to the loan applicant at the time of application the fact that the processor or underwriter is also in the business of private mortgage insurance. Failure to provide the disclosure required by this section does not annul, alter or affect the validity or enforceability of the mortgage loan.'

SUMMARY

This amendment narrows the scope of the disclosure requirements proposed in the bill. The amendment requires that when the processor or underwriter of a mortgage loan on residential property is also in the business of private mortgage insurance, the supervised lender or credit services organization must disclose that fact to a mortgage loan applicant at the time of application. The amendment adds a provision to clarify that failure to provide the disclosure does not affect the validity or enforceability of the loan.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



Approved: 05/05/05 *MAC*

122nd MAINE LEGISLATURE

LD 1286

LR 1446(02)

An Act To Require Additional Disclosure Regarding Private Mortgage Insurance

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation in implementing this bill can be absorbed by the department utilizing existing budgetary resources.