

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 1326

H.P. 930

House of Representatives, March 31, 2009

### **An Act To Amend the Laws Governing Licensed Financial Service Providers**

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Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative LOVEJOY of Portland.  
Cosponsored by Senator PERRY of Penobscot and  
Representatives: COHEN of Portland, HUNT of Buxton, SMITH of Monmouth.

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

2 **Sec. 1. 9-A MRSA §2-302, sub-§1-A**, as enacted by PL 2005, c. 164, §2, is  
3 amended to read:

4 **1-A.** At the time of application for a license to make supervised loans and on an  
5 ongoing basis during the term of any such license, the applicant shall apply to the  
6 administrator for registration of all loan officers employed or retained by the applicant.  
7 Applications must be filed in a manner prescribed by the administrator, must include the  
8 names, addresses and work locations of the loan officers and such additional information  
9 as is reasonably requested by the administrator and must be accompanied by an  
10 application fee of up to \$20 for each loan officer; up to a maximum of ~~\$200~~ \$400 in total.  
11 An applicant's registration of a loan officer within 90 days of the date that registration  
12 would otherwise be required does not constitute a violation of this subsection.

13 **Sec. 2. 9-A MRSA §2-302, sub-§7**, as enacted by PL 2005, c. 274, §2, is  
14 amended to read:

15 7. The administrator may adopt rules requiring that applicants, applicants' partners,  
16 officers or directors and employees of applicants satisfy initial and continuing educational  
17 requirements. The reasonable costs of meeting such educational requirements must be  
18 assessed to applicants. Providers of initial and continuing education courses of study  
19 shall submit each course to the administrator for approval, and each submission must be  
20 accompanied by a \$100 fee. Rules adopted pursuant to this subsection are routine  
21 technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

22 **Sec. 3. 9-A MRSA §10-201**, as repealed and replaced by PL 2005, c. 683, Pt. B,  
23 §4, is amended to read:

24 **§10-201. Licensing and biennial relicensing**

25 A person desiring to engage or continue in business in this State as a loan broker shall  
26 apply to the administrator for a license under this article on or before January 31st of each  
27 even-numbered year. The application must be in a form prescribed by the administrator.  
28 The administrator may refuse the application if it contains erroneous or incomplete  
29 information. At the time of application and on an ongoing basis during the term of any  
30 such license, the applicant shall apply to the administrator for registration of all loan  
31 officers employed or retained by the applicant. An application for registration as a loan  
32 officer must be filed in a manner prescribed by the administrator and include the name,  
33 address and work location of the loan officer and such additional information as is  
34 reasonably requested by the administrator. An applicant's registration of a loan officer  
35 within 90 days of the date that registration would otherwise be required does not  
36 constitute a violation of this section. A license may not be issued unless the  
37 administrator, upon investigation, finds that the financial responsibility, character and  
38 fitness of the applicant and, where applicable, its partners, officers or directors and the  
39 character and fitness of its loan officers, warrant belief that the business will be operated  
40 honestly and fairly within the purposes of this Title. The administrator may adopt rules  
41 requiring that applicants, applicants' partners, officers or directors and employees of

1 applicants satisfy initial and continuing educational requirements. The reasonable costs  
2 of meeting such educational requirements are assessed to applicants. Providers of initial  
3 and continuing education courses of study shall submit each course to the administrator  
4 for approval, and each submission must be accompanied by a \$100 fee. Rules adopted  
5 pursuant to this section are routine technical rules pursuant to Title 5, chapter 375,  
6 subchapter 2-A.

7 The initial application for a license as a loan broker must include a fee of ~~\$400~~ \$600.  
8 The biennial relicensing application must include a fee of ~~\$200~~ \$300. Initial applicants  
9 and biennial relicensing applicants must pay an additional fee of up to \$20 for registration  
10 of each loan officer, up to a maximum of ~~\$200~~ \$400 in total. Notwithstanding other  
11 remedies available under this Title, applications received after the due date are subject to  
12 an additional fee of \$100.

13 A licensee may conduct business only at or from a place of business for which the  
14 licensee holds a license and not under any other name than that on the license. A license  
15 fee of \$300 is imposed for a license issued for a place of business other than that of the  
16 first licensed location of the licensee. A biennial relicensing application for each such  
17 branch location must include a fee of \$150.

18 A licensed loan broker may conduct business only through a loan officer who  
19 possesses a current, valid registration. A loan officer must be registered at the loan  
20 officer's principal licensed work location and may then work from any licensed location  
21 of the loan broker. The registration of a loan officer is valid only when that person is  
22 employed or retained and supervised by a licensed loan broker. When a loan officer  
23 ceases to be employed by a licensed loan broker, the loan broker shall promptly notify the  
24 administrator in writing.

25 **Sec. 4. 32 MRSA §6173, sub-§2-A** is enacted to read:

26 **2-A. Separate registration required.** A separate registration is required for each  
27 place of business. An application fee of \$250 must accompany an application for  
28 registration for a place of business other than that of the first registered location of the  
29 registrant.

30 **Sec. 5. 32 MRSA §6174-B, sub-§2,** as enacted by PL 2007, c. 36, §9, is amended  
31 to read:

32 **2. Consumer education.** A debt management service provider shall offer a  
33 consumer education program approved by the administrator. Providers of consumer  
34 education programs shall submit each such program to the administrator for approval, and  
35 each such submission must be accompanied by a \$100 fee. A debt management service  
36 provider may charge consumers a reasonable fee for the program not to exceed \$50.

37 **Sec. 6. 32 MRSA §11031, sub-§2,** as amended by PL 1999, c. 184, §24, is  
38 further amended to read:

39 **2. Licenses.** Licenses granted by the superintendent under this section are for a  
40 period of 2 years and expire on July 31st or at such other times as the superintendent may

1 designate. Each license may be renewed biennially as long as the superintendent regards  
2 the business as responsible and safe, but in all cases terminate unless renewed by the  
3 expiration date. Each license must plainly state the name and business address of the  
4 licensee and be posted in a conspicuous place in the office where the business is  
5 transacted. The fee for each biennial license is ~~\$400~~ \$600. When the unexpired license  
6 term of an applicant is or will be less than one year at a time of licensure, the license fee  
7 may not exceed 1/2 the biennial license fee. If a licensee desires to carry on business in  
8 more than one place, the licensee shall procure a branch office license for each additional  
9 place where the business is to be conducted. The fee for each biennial branch office  
10 license is ~~\$200~~ \$300. Notwithstanding other remedies available under this chapter,  
11 applications received after the due date are subject to an additional fee of \$100.

12 **Sec. 7. 32 MRS** §11051, as corrected by RR 1995, c. 1, §27 and affected by §28  
13 and amended by PL 1999, c. 547, Pt. B, §78 and affected by §80 and amended by PL  
14 2007, c. 273, Pt. B, §§5 and 6 and affected by c. 695, Pt. A, §47, is further amended to  
15 read:

16 **§11051. Investigation, suspension and revocation of licenses**

17 The Bureau of Consumer Credit Protection may examine or investigate the records  
18 and practices of ~~a licensee~~ any person the superintendent believes has engaged in conduct  
19 governed by this chapter in accordance with Title 9-A, section 6-106, may review and  
20 approve collection letters proposed for use in this State and may charge for expenses  
21 incurred pursuant to Title 9-A, section 6-106, subsection 6. The superintendent may file  
22 a complaint with the District Court to suspend or revoke a license issued pursuant to this  
23 chapter, if, after investigation or hearing, or both, the superintendent has reason to believe  
24 that the licensee has violated any provisions of this chapter or any administrative rules  
25 issued pursuant to this chapter, or has failed to maintain its financial condition sufficient  
26 to qualify for a license on an original application.

27 **SUMMARY**

28 The purpose of this bill is to more equitably allocate regulatory costs of the  
29 Department of Professional and Financial Regulation, Bureau of Consumer Credit  
30 Protection among licensed entities by increasing the cap on loan officer registration fees,  
31 permitting recovery of costs of certifying educational courses for providers, increasing  
32 loan broker license fees, establishing loan broker and debt management branch office  
33 licenses and increasing debt collector license fees.