

# MAINE STATE LEGISLATURE

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M.S.

Date: 6-1-09

(Filing No. S-277)

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STATE OF MAINE  
SENATE  
124TH LEGISLATURE  
FIRST REGULAR SESSION

SENATE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to S.P. 523,  
L.D. 1439, Bill, "An Act To Conform State Mortgage Laws with Federal Laws"

Amend the amendment on page 2 in paragraph A in subparagraph (2) by inserting  
after division (b) the following:

(3) A creditor is presumed to have complied with this paragraph with respect to  
a transaction if the creditor:

(a) Verifies the consumer's repayment ability as provided in subparagraphs  
(1) and (2);

(b) Determines the consumer's repayment ability using the largest payment  
of principal and interest scheduled in the first 7 years following  
consummation and taking into account current obligations and mortgage-  
related obligations; and

(c) Assesses the consumer's repayment ability taking into account at least  
one of the following:

(i) The ratio of total debt obligations to income; and

(ii) The income the consumer will have after paying debt obligations.

(4) Notwithstanding subparagraph (3), no presumption of compliance is  
available for a transaction for which:

(a) The regular periodic payments for the first 7 years would cause the  
principal balance to increase; or

(b) The term of the loan is less than 7 years and the regular periodic  
payments when aggregated do not fully amortize the outstanding principal  
balance.'

Amend the amendment on page 2 in paragraph A in subparagraph (3) in the first line  
(page 2, line 26 in amendment) by striking out the following: "(3)" and inserting the  
following: '(5)'

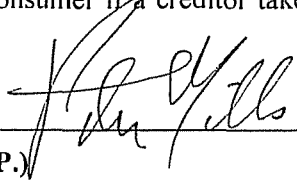
**SENATE AMENDMENT**

2009

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**SUMMARY**

This amendment provides a presumption of compliance with laws that require a creditor to take into account a consumer's repayment ability before extending a higher-priced mortgage to a consumer if a creditor takes certain steps to evaluate a consumer's repayment ability.

**SPONSORED BY:**  \_\_\_\_\_

(Senator MILLS, P.)

**COUNTY: Somerset**