

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 1338

S.P. 415

In Senate, March 29, 2011

### **An Act To Amend the Maine Consumer Credit Code To Conform with Federal Law**

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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.

*Joseph G. Carleton Jr.*

JOSEPH G. CARLETON, JR.  
Secretary of the Senate

Presented by Senator WHITTEMORE of Somerset.

Cosponsored by Representative MORRISON of South Portland and

Representatives: BECK of Waterville, GOODE of Bangor, RICHARDSON of Warren.

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

2 **PART A**

3 **Sec. A-1. 9-A MRSA §1-301, sub-§11**, as amended by PL 1997, c. 122, §1, is  
4 further amended to read:

5 **11.** "Consumer credit sale":

6 A. A "consumer credit sale" is a sale of goods, services or an interest in land in  
7 which:

8 (i) Credit is granted either pursuant to a credit card other than a lender credit card  
9 or by a seller who regularly engages as a seller in credit transactions of the same  
10 kind;

11 (ii) The buyer is a person other than an organization;

12 (iii) The goods, services or interest in land are purchased primarily for a  
13 personal, family or household purpose;

14 (iv) Either the debt is payable in installments or a finance charge is made;

15 (v) With respect to a sale of goods or services, not including manufactured  
16 housing or a motor vehicle, the amount financed does not exceed \$25,000; and

17 (vi) With respect to a sale of a motor vehicle as defined in Title 29-A, section  
18 101, subsection 42, the amount financed does not exceed \$35,000.

19 Consistent with Title X of the federal Dodd-Frank Wall Street Reform and Consumer  
20 Protection Act, Public Law 111-203, the amounts set out in paragraph A, subparagraphs  
21 (v) and (vi) will increase to \$50,000 on the designated transfer date established pursuant  
22 to Public Law 111-203, Section 1062. Thereafter, the amount will automatically adjust to  
23 correspond with inflation adjustments made to the exempt transaction amount referenced  
24 in the Federal Truth in Lending Act, 15 United States Code, Section 104, subsection (3).

25 **Sec. A-2. 9-A MRSA §1-301, sub-§13**, as repealed and replaced by PL 1987, c.  
26 129, §20, is amended to read:

27 **13.** A "consumer lease" is a lease of goods:

28 A. Which a lessor regularly engaged in the business of leasing makes to a person,  
29 other than an organization, who takes under the lease primarily for a personal, family  
30 or household purpose;

31 B. In which the amount payable under the lease does not exceed \$25,000;

32 C. Which is for a term exceeding 4 months; and

33 D. Which is not made pursuant to a lender credit card.

34 A person is regularly engaged in the business of leasing if ~~he~~ the person enters into  
35 consumer leases more than 25 times in the preceding calendar year. If a person did  
36 not meet this numerical test in the preceding calendar year, the numerical standard  
37 ~~shall~~ must be applied to the current calendar year.

1 Consistent with Title X of the federal Dodd-Frank Wall Street Reform and Consumer  
2 Protection Act, Public Law 111-203, the amount set out in paragraph B will increase to  
3 \$50,000 on the designated transfer date established pursuant to Public Law 111-203,  
4 Section 1062. Thereafter, the amount will automatically adjust to correspond with  
5 inflation adjustments made to the definition of "consumer lease" referenced in the Federal  
6 Truth in Lending Act, 15 United States Code, Section 181, subsection (1).

7 **Sec. A-3. 9-A MRSA §1-301, sub-§14, ¶A**, as amended by PL 1997, c. 727, Pt.  
8 B, §2, is further amended to read:

9 A. Except as provided in paragraph B, a "consumer loan" is a loan made by a person  
10 regularly engaged in the business of making loans in which:

11 ~~(i) the~~ (1) The debtor is a person other than an organization;

12 ~~(ii) the~~ (2) The debt is incurred primarily for a personal, family or household  
13 purpose;

14 ~~(iii) either~~ (3) Either the debt is payable in installments or a finance charge is  
15 made; and

16 ~~(iv) for~~ (4) For loans made by:

17 (a) A supervised financial organization, either the amount financed does not  
18 exceed \$25,000 or the debt is secured by manufactured housing or an interest  
19 in land; or

20 (b) A supervised lender other than a supervised financial organization, either  
21 the amount financed does not exceed \$35,000 or the debt is secured by  
22 manufactured housing or an interest in land.

23 Consistent with Title X of the federal Dodd-Frank Wall Street Reform and  
24 Consumer Protection Act, Public Law 111-203, the amounts set out in divisions  
25 (a) and (b) will increase to \$50,000 on the designated transfer date established  
26 pursuant to Public Law 111-203, Section 1062. Thereafter, the amount will  
27 automatically adjust to correspond with inflation adjustments made to the exempt  
28 transaction amount referenced in the Federal Truth in Lending Act, 15 United  
29 States Code, Section 104, subsection (3).

30 **Sec. A-4. 9-A MRSA §2-202, sub-§7**, as amended by PL 1999, c. 184, §1, is  
31 further amended to read:

32 ~~7. With~~ Unless otherwise provided for in the Federal Truth in Lending Act, and the  
33 provisions of federal Regulation Z, 12 Code of Federal Regulations, Section 226.1 et seq.,  
34 as adopted by the administrator pursuant to section 8-104, with respect to consumer credit  
35 sales made pursuant to a credit card, other than a lender credit card, a creditor may not  
36 impose a finance charge if it is in excess of that set forth in the agreement between the  
37 consumer and the creditor.

38 **Sec. A-5. 9-A MRSA §2-402, sub-§5**, as amended by PL 2005, c. 484, §2, is  
39 further amended to read:

1           5. ~~With~~ Unless otherwise provided for in the Federal Truth in Lending Act, and the  
2 provisions of federal Regulation Z, 12 Code of Federal Regulations, Section 226.1 et seq.,  
3 as adopted by the administrator pursuant to section 8-104, with respect to loans made  
4 pursuant to a lender credit card, a creditor may not impose a finance charge if it is in  
5 excess of that set forth in the agreement between the consumer and the creditor. This  
6 subsection does not apply to open-end credit plans secured by a consumer's principal  
7 dwelling or by a 2nd or vacation home of the consumer.

8           **Sec. A-6. 9-A MRSA §2-501, sub-§3**, as amended by PL 1995, c. 84, §6, is  
9 further amended to read:

10           3. ~~Charges~~ Unless otherwise provided for in the Federal Truth in Lending Act, and  
11 the provisions of federal Regulation Z, 12 Code of Federal Regulations, Section 226.1 et  
12 seq., as adopted by the administrator pursuant to section 8-104, charges permitted under  
13 this section and any other charges specifically excluded from the definition of "finance  
14 charge" in section 1-301, subsection 19, are permissible charges in addition to, and  
15 excluded from the calculation of, maximum finance charges set forth in Parts 2 and 4.  
16 Unless otherwise expressly prohibited by this Act, the Federal Truth in Lending Act and  
17 the provisions of federal Regulation Z, 12 Code of Federal Regulations, Section 226.1 et  
18 seq., as adopted by the administrator pursuant to section 8-104, and except on retail credit  
19 card accounts, a creditor may contract for and receive additional charges not authorized  
20 by this section or by section 1-301, subsection 19, if such additional charges, together  
21 with all other finance charges applicable to a consumer credit transaction, do not exceed  
22 the applicable maximum finance charge under this Act.

23           **Sec. A-7. 9-A MRSA §2-501, sub-§4**, as amended by PL 1995, c. 614, Pt. A, §4,  
24 is further amended to read:

25           4. ~~In~~ Unless otherwise provided for in the Federal Truth in Lending Act, and the  
26 provisions of federal Regulation Z, 12 Code of Federal Regulations, Section 226.1 et seq.,  
27 as adopted by the administrator pursuant to section 8-104, in addition to or in lieu of  
28 interest at a periodic rate or rates as provided in section 2-402, and in addition to any  
29 other charges permitted under this Act, a supervised financial organization or supervised  
30 lender may, if the agreement with the consumer governing an open-end credit plan  
31 involving the use of a lender credit card so provides, charge and collect as an additional  
32 finance charge or interest, in such manner or form as the plan may provide, one or more  
33 of the following:

34           A. A daily, weekly, monthly, annual or other periodic charge in such amount as the  
35 agreement may provide for the privileges made available to the consumer under the  
36 plan;

37           B. A transaction charge or charges in such amount or amounts as the agreement may  
38 provide for each separate purchase or loan under the plan;

39           C. A minimum charge for each daily, weekly, monthly, annual or other scheduled  
40 billing period under the plan during any portion of which there is an outstanding,  
41 unpaid indebtedness under the plan;

- 1 D. Reasonable fees for services rendered or for reimbursement of expenses incurred
- 2 in good faith by the creditor or its agents in connection with the plan, or other
- 3 reasonable fees incident to the application for and the opening, administration and
- 4 termination of the plan, including, without limitation, commitment, application and
- 5 processing fees, official fees and taxes, and filing fees, but excluding costs of
- 6 collections after default, other than reasonable attorney's fees not in excess of 15% of
- 7 the unpaid debt incurred in connection with a legal action brought by an attorney who
- 8 is not a salaried employee of the creditor;
- 9 E. A late or delinquency charge upon any outstanding, unpaid installment payments
- 10 or portions of those payments under the plan that are not paid in full within 15 days
- 11 after the scheduled or deferred due date;
- 12 F. Return-payment charges;
- 13 G. Documentary evidence charges;
- 14 H. Stop-payment fees;
- 15 I. Over-the-limit charges; and
- 16 J. Automated teller machine charges or similar electronic or interchange fees or
- 17 charges.

18 This subsection does not apply to open-end credit plans secured by a consumer's principal  
19 dwelling or by any 2nd or vacation home of the consumer.

20 **Sec. A-8. 9-A MRSA §3-204, sub-§2**, as amended by PL 1999, c. 150, §2, is  
21 further amended to read:

22 **2.** ~~A~~ Unless otherwise provided for in the Federal Truth in Lending Act, and the  
23 provisions of federal Regulation Z, 12 Code of Federal Regulations, Section 226.1 et seq.,  
24 as adopted by the administrator pursuant to section 8-104, a creditor may change the  
25 terms of an open-end credit account whether or not the change is authorized by prior  
26 agreement. Except as provided in subsections 3 and 3-A, the creditor shall give to the  
27 consumer written notice of any change of terms relating to penalties, interest or other  
28 charges at least 30 days before the effective date of the change. ~~Except in the case of an~~  
29 ~~unsecured open-end credit account involving the use of a credit card, a~~ A change of terms  
30 that would increase any penalty, interest or other charges may not affect outstanding  
31 balances incurred prior to the effective date of any such change unless:

- 32 A. The creditor includes in the notice of change an offer to finance by a separate loan
- 33 arrangement the outstanding unpaid balance as of the effective date of the change at
- 34 the same rate of interest with the same repayment schedule as applies to that open-
- 35 end credit account;
- 36 B. The consumer may accept the offer of a separate loan arrangement with respect to
- 37 the then existing unpaid balance anytime prior to 7 days before the change is to
- 38 become effective;
- 39 C. The creditor has legal authority to make such a loan; and
- 40 D. No minimum finance charge is assessed nor prepayment penalty charged on the
- 41 loan.

1           **Sec. A-9. 9-A MRSA §3-310, sub-§1, ¶D**, as amended by PL 1999, c. 150, §3,  
2 is further amended to read:

3           D. With respect to an open-end credit plan other than one described in paragraph B,  
4 the information required by 12 Code of Federal Regulations, ~~226.6(a)(2)~~ Section  
5 226.6(a)(1)(ii) must be disclosed before the first transaction under the plan.

6           **Sec. A-10. 9-A MRSA §6-104, sub-§1, ¶H**, as amended by PL 1995, c. 309, §8  
7 and affected by §29, is further amended to read:

8           H. Maintain a public file of all enforcement proceedings instituted and of their  
9 disposition, including all assurances of voluntary compliance accepted and their  
10 terms and the pleadings and briefs in all actions in which the administrator is a party;  
11 ~~and~~

12           **Sec. A-11. 9-A MRSA §6-104, sub-§1, ¶I**, as enacted by PL 1995, c. 309, §9  
13 and affected by §29, is amended to read:

14           I. Convene meetings of individuals representing various segments of the public and  
15 the consumer credit industry to advise and consult with the administrator concerning  
16 the exercise of powers under this Act and to make recommendations to the  
17 administrator. The administrator may authorize reimbursement of reasonable  
18 expenses incurred in attending the meetings; ~~and~~

19           **Sec. A-12. 9-A MRSA §6-104, sub-§1, ¶J** is enacted to read:

20           J. To the extent permitted in Title X of the federal Dodd-Frank Wall Street Reform  
21 and Consumer Protection Act, Public Law 111-203, Section 1042, enforce the  
22 provisions of Title X of Public Law 111-203 or regulations issued under those  
23 provisions with respect to entities that are state-chartered, incorporated, licensed or  
24 otherwise authorized to do business under the laws of this State, and secure remedies  
25 under provisions of Title X of Public Law 111-203 or remedies otherwise provided  
26 under other provisions of law with respect to entities that are state-chartered,  
27 incorporated, licensed or otherwise authorized to do business under the laws of this  
28 State.

29           **Sec. A-13. 9-A MRSA §8-104, sub-§1, ¶B**, as enacted by PL 2009, c. 362, Pt.  
30 A, §7, is amended to read:

31           B. The Consistent with the purposes of Title X of the federal Dodd-Frank Wall  
32 Street Reform and Consumer Protection Act, Public Law 111-203, and with the  
33 purposes set forth in sections 1-102 and 8-102, and notwithstanding other law, the  
34 administrator is authorized to adopt rules substantially similar to, or that afford more  
35 protection for consumers than, those codified in 12 Code of Federal Regulations, Part  
36 226, except where this Article expressly directs otherwise that the federal regulations  
37 are not to be adopted. Rules adopted pursuant to this paragraph are routine technical  
38 rules as defined in Title 5, chapter 375, subchapter 2-A.

39           **Sec. A-14. 9-A MRSA §8-204, sub-§5, ¶A**, as amended by PL 2007, c. 273, Pt.  
40 C, §6, is further amended to read:

1 A. A residential mortgage transaction as defined in section 8-103, subsection 1-A,  
2 paragraph ~~W~~ X;

3 **Sec. A-15. 9-A MRSA §8-205, sub-§4, ¶A**, as enacted by PL 1989, c. 472, §2,  
4 is amended to read:

5 A. ~~Except as provided in paragraph B, a~~ A card issuer that imposes any fee described  
6 in subsection 3, paragraph A, subparagraph (i), division (b), subdivision (1) or  
7 subsection 3, paragraph D, subparagraph (i), division (a); shall transmit to the  
8 consumer at least 30 days prior to the scheduled renewal date of the consumer's credit  
9 or charge card account a clear and conspicuous disclosure of:

10 (i) The date, the month; or the billing period at the close of which the account  
11 will expire if not renewed;

12 (ii) The information described in subsection 3, paragraph A, subparagraph (i); or  
13 subsection 3, paragraph D, subparagraph (i); that would apply if the account were  
14 renewed, subject to subsection 5; and

15 (iii) The method by which the consumer may terminate continued credit  
16 availability under the account.

17 **Sec. A-16. 9-A MRSA §8-205, sub-§4, ¶B**, as enacted by PL 1989, c. 472, §2,  
18 is repealed.

19 **Sec. A-17. 9-A MRSA §8-208, sub-§1, ¶B**, as amended by PL 2009, c. 362, Pt.  
20 A, §15 and affected by §16, is further amended to read:

21 B. In an individual action:

22 (i) Twice the amount of any finance charge in connection with the transaction; or

23 (ii) In the case of a consumer lease, 25% of the total amount of monthly  
24 payments under the lease.

25 Liability under this paragraph may not be less than \$100 nor greater than \$1,000;  
26 except that, in the case of an individual action relating to an open-end consumer  
27 credit plan that is not secured by real property or a dwelling, liability under this  
28 paragraph is twice the amount of any finance charge in connection with the  
29 transaction, with a minimum of \$500 and a maximum of \$5,000, or such higher  
30 amount as may be appropriate in the case of an established pattern or practice of such  
31 failures, or in the case of a credit transaction not under an open-end credit plan that is  
32 secured by real property or a dwelling, liability under this paragraph may not be less  
33 than \$400 nor greater than \$4,000;

34 **Sec. A-18. 9-A MRSA §8-404**, as enacted by PL 1981, c. 243, §§25 and 26 and  
35 amended by c. 551, §3, is further amended to read:

36 **§8-404. Prompt crediting of payments**

37 Payments received from an obligor under an open-end consumer credit plan by the  
38 creditor ~~shall~~ must be posted promptly to the obligor's account ~~as specified in regulations~~  
39 ~~of the administrator~~ as provided in the Federal Truth in Lending Act, and the provisions



1 of federal Regulation Z, 12 Code of Federal Regulations, Section 226.1 et seq., as  
2 adopted by the administrator pursuant to section 8-104. ~~The regulations shall prevent a~~  
3 ~~finance charge from being imposed on any obligor if the creditor has received the~~  
4 ~~obligor's payment in readily identifiable form in the amount, manner, location and time~~  
5 ~~indicated by the creditor to avoid the imposition of a finance charge.~~

6 **Sec. A-19. 9-A MRSA §10-307-A** is enacted to read:

7 **§10-307-A. Application of truth in lending limits**

8 A loan broker and its mortgage loan originators shall comply with the provisions of  
9 the Federal Truth in Lending Act, and the provisions of federal Regulation Z, 12 Code of  
10 Federal Regulations, Section 226.1 et seq., as adopted by the administrator pursuant to  
11 section 8-104.

12 **PART B**

13 **Sec. B-1. 9-A MRSA §1-301, sub-§22-A**, as amended by PL 2005, c. 683, Pt. B,  
14 §2, is repealed.

15 **Sec. B-2. 9-A MRSA §2-302, sub-§1-A**, as amended by PL 2009, c. 243, §1, is  
16 repealed.

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

19 **2.** A license to make supervised loans or ~~a registration certificate~~ as a mortgage loan  
20 ~~officer~~ originator may not be issued unless the administrator, upon investigation, finds  
21 that the financial responsibility, character and fitness of the applicant, and of the members  
22 thereof, if the applicant is a copartnership or association, and of the officers and directors  
23 thereof, if the applicant is a corporation, and the character and fitness of the ~~loan officers~~  
24 mortgage loan originators thereof, are such as to warrant belief that the business will be  
25 operated honestly and fairly within the purposes of this Act. In determining the financial  
26 responsibility of an applicant proposing to engage in making insurance premium loans,  
27 the administrator shall consider the liabilities the lender may incur for erroneous  
28 cancellation of insurance.

29 A. Every applicant shall also, at the time of filing such application, file with the  
30 administrator, if the administrator so requires, a bond satisfactory to the administrator  
31 in an amount not to exceed \$50,000. The terms of the bond must run concurrent with  
32 the period of time during which the license will be in effect. The bond must run to  
33 the State for the use of the State and of any person or persons who may have a cause  
34 of action against the licensee under this Act. The bond must be conditional that the  
35 licensee will faithfully conform to and abide by the provisions of this Act and to all  
36 rules lawfully made by the administrator under this Act and will pay to the State and  
37 to any such person or persons any and all amounts of money that may become due or  
38 owing to the State or to such person or persons from the licensee under and by virtue  
39 of this Act during the period for which the bond is given.

1 B. As used in this section, the term "financial responsibility" means that the applicant  
2 has available for the operation of the licensed business net assets of at least \$25,000  
3 and upon issuance of a license, each licensee shall maintain net assets of at least  
4 \$25,000 that are either used or readily available for use in the conduct of the business  
5 of each office of the licensee in which supervised loans are made.

6 D. In determining the financial responsibility of a nonprofit organization engaged in  
7 the financing of housing for low-income people under a program specifically  
8 designed for that purpose, the administrator may waive the requirement of a bond and  
9 availability of \$25,000 of net assets, if the applicant submits appropriate additional  
10 evidence of financial responsibility.

11 **Sec. B-4. 9-A MRSA §2-302, sub-§5-A**, as enacted by PL 2005, c. 164, §5, is  
12 amended to read:

13 **5-A.** A licensee may conduct the business of making supervised loans only through  
14 a ~~loan officer~~ mortgage loan originator who possesses a current, valid ~~registration~~  
15 ~~certificate~~ license. ~~A loan officer must be registered at the loan officer's principal~~  
16 ~~licensed work location and may then work from any licensed location of the supervised~~  
17 ~~lender. The registration of a loan officer is valid only when that person is employed or~~  
18 ~~retained and supervised by a licensed supervised lender. When a loan officer ceases to be~~  
19 ~~employed by a licensed supervised lender, the supervised lender shall promptly notify the~~  
20 ~~administrator in writing.~~

21 **Sec. B-5. 9-A MRSA §2-303**, as amended by PL 2005, c. 164, §6, is further  
22 amended to read:

23 **§2-303. Revocation or suspension of license**

24 **1.** The administrator may file a complaint with the District Court to suspend or  
25 revoke a license to make or originate supervised loans ~~or a registration as a loan officer~~ if  
26 the administrator finds reason to believe, after investigation or hearing, or both, that:

27 A. The licensee ~~or registrant~~ has violated this Act or any rule or order made pursuant  
28 to this Act; or

29 B. Facts or conditions exist that would clearly have justified the administrator in  
30 refusing to grant a license ~~or registration~~ had these facts or conditions been known to  
31 exist at the time the application for the license ~~or registration~~ was made.

32 An affirmative finding by the District Court of either cause is sufficient to suspend or  
33 revoke the license ~~or registration~~.

34 **1-A.** The administrator may refuse to renew a license ~~or registration~~, after notice  
35 and opportunity for a hearing has been provided to the licensee ~~or registrant~~, for any of  
36 the reasons set forth in subsection 1.

37 **2.** No revocation or suspension of a license ~~or registration~~ impairs or affects the  
38 obligation of any preexisting lawful contract between the licensee ~~or registrant~~ and any  
39 debtor.

1           **3.** The administrator may reinstate a license, terminate a suspension or grant a new  
2 license ~~or registration~~ to a person whose license ~~or registration~~ has been revoked if no  
3 fact or condition then exists that clearly would have justified the administrator in refusing  
4 to grant a license ~~or registration~~.

5           **4.** No revocation, suspension, annulment or withdrawal of a license ~~or registration~~  
6 is lawful unless, prior to the institution of proceedings by the administrator, the  
7 administrator gave notice by mail to the licensee ~~or registrant~~ of facts or conduct that  
8 warrant the intended action and the licensee ~~or registrant~~ was given an opportunity to  
9 show compliance with all lawful requirements for the retention of the license ~~or~~  
10 ~~registration~~.

11           **Sec. B-6. 9-A MRSA §2-303-A**, as amended by PL 2005, c. 164, §7, is further  
12 amended to read:

13           **§2-303-A. Temporary suspension of license**

14           Notwithstanding Title 5, sections 10003 and 10004 and Title 10, section 8003, if the  
15 public interest or the protection of borrowers so requires, the administrator may, by order,  
16 suspend a license to make supervised loans or ~~registration~~ a license as a ~~loan officer~~  
17 mortgage loan originator or postpone the effective date of such a license ~~or registration~~.  
18 Upon entry of the order, the administrator shall promptly notify the applicant, or licensee  
19 ~~or registrant~~ that an order has been entered, of the reasons for the order and that, within  
20 15 days after the receipt of a written request by the applicant, or licensee ~~or registrant~~, the  
21 matter must be scheduled for hearing. Section 2-303 applies to all subsequent  
22 proceedings.

23           **Sec. B-7. 9-A MRSA §3-316**, as enacted by PL 2007, c. 466, Pt. B, §4 and  
24 affected by §5, is amended to read:

25           **§3-316. Real estate settlement procedures**

26           A creditor and its ~~loan officers~~ mortgage loan originators shall comply with the  
27 provisions of the federal Real Estate Settlement Procedures Act of 1974, 12 United States  
28 Code, Section 2601 et seq. and its implementing regulation, Regulation X, 24 Code of  
29 Federal Regulations, Section 3500 et seq.

30           **Sec. B-8. 9-A MRSA §6-105-A, first ¶**, as enacted by PL 2007, c. 273, Pt. A, §2  
31 and affected by §41, is amended to read:

32           For the purposes of participating in the establishment and implementation of a  
33 uniform multistate automated licensing system, referred to in this section as "the  
34 system," for loan brokers, supervised lenders that are not supervised financial  
35 organizations and individual ~~loan officers~~ mortgage loan originators thereof, the  
36 administrator may undertake the following actions.

37           **Sec. B-9. 9-A MRSA §6-105-A, sub-§2**, as enacted by PL 2007, c. 273, Pt. A,  
38 §2 and affected by §41, is amended to read:

1           2. The administrator may require a credit and background investigation of each  
2 applicant for a license as a loan broker, a supervised lender that is not a supervised  
3 financial organization or a ~~loan officer of a loan broker or a supervised lender,~~ mortgage  
4 loan originator thereof by means including fingerprint checks for state and national  
5 criminal histories, commencing at the time the State joins the system pursuant to this  
6 section. The cost of the investigations must be charged to the applicants. Information  
7 obtained or held by the administrator pursuant to this subsection is nonpublic pursuant to  
8 section 6-116 and not subject to disclosure.

9           **Sec. B-10. 9-A MRSA §9-311-A**, as enacted by PL 2007, c. 466, Pt. B, §8 and  
10 affected by §10, is amended to read:

11           **§9-311-A. Real estate settlement procedures**

12           A creditor and its ~~loan officers~~ mortgage loan originators shall comply with the  
13 provisions of the federal Real Estate Settlement Procedures Act of 1974, 12 United States  
14 Code, Section 2601 et seq. and its implementing regulation, Regulation X, 24 Code of  
15 Federal Regulations, Section 3500 et seq.

16           **Sec. B-11. 9-A MRSA §9-312**, as enacted by PL 2007, c. 273, Pt. A, §26 and  
17 affected by §41, is amended to read:

18           **§9-312. False information on application for credit**

19           A supervised lender, or any ~~loan officer~~ mortgage loan originator of a supervised  
20 lender, may not knowingly permit, encourage or assist a consumer to submit false  
21 information on any application for credit, nor may a supervised lender or ~~loan officer~~  
22 mortgage loan originator of a supervised lender knowingly falsify such information on a  
23 consumer's application.

24           **Sec. B-12. 9-A MRSA §10-102, sub-§3**, as enacted by PL 2005, c. 164, §8, is  
25 repealed.

26           **Sec. B-13. 9-A MRSA §10-201**, as amended by PL 2009, c. 243, §3, is further  
27 amended to read:

28           **§10-201. Licensing and biennial relicensing**

29           A person desiring to engage or continue in business in this State as a loan broker shall  
30 apply to the administrator for a license under this article on or before January 31st of each  
31 even-numbered year. The application must be in a form prescribed by the administrator.  
32 The administrator may refuse the application if it contains erroneous or incomplete  
33 information. ~~At the time of application and on an ongoing basis during the term of any~~  
34 ~~such license, the applicant shall apply to the administrator for registration of all loan~~  
35 ~~officers employed or retained by the applicant. An application for registration as a loan~~  
36 ~~officer must be filed in a manner prescribed by the administrator and include the name,~~  
37 ~~address and work location of the loan officer and such additional information as is~~  
38 ~~reasonably requested by the administrator. An applicant's registration of a loan officer~~  
39 ~~within 90 days of the date that registration would otherwise be required does not~~

1 ~~constitute a violation of this section.~~ A license may not be issued unless the  
2 administrator, upon investigation, finds that the financial responsibility, character and  
3 fitness of the applicant and, where applicable, its partners, officers or directors and the  
4 character and fitness of its ~~loan officers~~ mortgage loan originators, warrant belief that the  
5 business will be operated honestly and fairly within the purposes of this Title. The  
6 administrator may adopt rules requiring that applicants, applicants' partners, officers or  
7 directors and employees of applicants satisfy initial and continuing educational  
8 requirements. The reasonable costs of meeting such educational requirements are  
9 assessed to applicants. Providers of initial and continuing education courses of study  
10 shall submit each course to the administrator for approval, and each submission must be  
11 accompanied by a \$100 fee. Rules adopted pursuant to this section are routine technical  
12 rules pursuant to Title 5, chapter 375, subchapter 2-A.

13 The initial application for a license as a loan broker must include a fee of \$600. The  
14 biennial relicensing application must include a fee of \$300. ~~Initial applicants and biennial~~  
15 ~~relicensing applicants must pay an additional fee of up to \$20 for registration of each loan~~  
16 ~~officer, up to a maximum of \$400 in total.~~ Notwithstanding other remedies available  
17 under this Title, applications received after the due date are subject to an additional fee of  
18 \$100.

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

24 A licensed loan broker may conduct business only through a ~~loan officer~~ mortgage  
25 loan originator who possesses a current, valid registration license. ~~A loan officer must be~~  
26 ~~registered at the loan officer's principal licensed work location and may then work from~~  
27 ~~any licensed location of the loan broker. The registration of a loan officer is valid only~~  
28 ~~when that person is employed or retained and supervised by a licensed loan broker.~~  
29 ~~When a loan officer ceases to be employed by a licensed loan broker, the loan broker~~  
30 ~~shall promptly notify the administrator in writing.~~

31 **Sec. B-14. 9-A MRSA §10-307**, as amended by PL 2007, c. 466, Pt. B, §9 and  
32 affected by §10, is further amended to read:

33 **§10-307. Real estate settlement procedures**

34 A loan broker and its ~~loan officers~~ mortgage loan originators shall comply with the  
35 provisions of 12 United States Code, Section 2601 et seq., the federal Real Estate  
36 Settlement Procedures Act of 1974 and its implementing regulation, Regulation X, 24  
37 Code of Federal Regulations, Section 3500 et seq.

38 **Sec. B-15. 9-A MRSA §10-308**, as enacted by PL 2007, c. 273, Pt. A, §32 and  
39 affected by §41, is amended to read:

