

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE

FIRST SPECIAL SESSION
August 29, 2013

SECOND REGULAR SESSION
January 8, 2014 to May 2, 2014

THE EFFECTIVE DATE FOR
FIRST SPECIAL SESSION
EMERGENCY LAW IS
SEPTEMBER 6, 2013

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
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TITLE 3, SECTION 163-A, SUBSECTION 4.

Augusta, Maine
2014

ant or a member of the firm of accountants who regularly audits the books and accounts of the authority, selected by the authority. The authority shall also provide the Treasurer of State with an accounting of the authority's assets and liabilities at the end of its fiscal year. The authority is also subject to the provisions of chapter 11. The authority may combine for accounting purposes any or all funds established for its programs and activities. For any complete fiscal year that the authority contracts with the Finance Authority of Maine, or any other state agency or quasi-state agency that is required to submit to the Treasurer of State its own audited financial report, and the audited annual financial report of that state agency or quasi-state agency includes for accounting purposes the funds administered for the authority, the audited financial report of that state agency or quasi-state agency satisfies the requirements of this subsection.

See title page for effective date.

CHAPTER 466
S.P. 678 - L.D. 1712

**An Act To Make Technical
Corrections to the Maine
Consumer Credit Code To
Facilitate the Multistate
Licensing Process**

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

Sec. 1. 9-A MRSA §2-302, sub-§1, as amended by PL 2011, c. 427, Pt. B, §3, is repealed and the following enacted in its place:

1. The administrator shall receive and act on all applications for licenses to make supervised loans under this Act. Applications must be filed in the manner prescribed by the administrator and must contain the information required by the administrator to make an evaluation of the financial responsibility, character and fitness of the applicant.

A. For a lender subject to this subsection whose activities include making or arranging residential mortgage loans, an application for a license to make supervised loans must be made electronically, through the nationwide mortgage licensing system and registry. Licenses expire December 31st of each year and must be renewed through the nationwide mortgage licensing system and registry. An application for an initial license must be accompanied by a fee of \$250, and an annual renewal application must be accompanied by a fee of \$100. An application for an initial license or renewal for a place of business other than that of the applicant's first licensed location must be accompanied by a fee of \$100. An applicant must

also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. A non-profit organization exempt from taxation under the United States Internal Revenue Code, Section 501(c)(3) and engaged in the financing of housing for low-income people under a program designed specifically for that purpose must pay an initial licensing fee, and a fee for each branch location, of \$20 and a renewal licensing fee and renewal fee for each branch location of \$10, plus the applicable nationwide mortgage licensing system and registry processing fee.

B. For a lender subject to this subsection whose activities do not include making or arranging residential mortgage loans, an initial application for a license must be accompanied by a \$500 fee and a renewal application must include a \$200 fee. A license is granted for a 2-year period and expires on September 30th of the 2nd year. An application for an initial license or renewal for a place of business other than that of the applicant's first licensed location must be accompanied by a fee of \$200.

Sec. 2. 9-A MRSA §2-302, sub-§2, as amended by PL 2011, c. 427, Pt. B, §5, is further amended to read:

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

A. Every applicant shall also, at the time of filing such application, file with the administrator, if the administrator so requires, a surety bond satisfactory to the administrator in an amount not to exceed \$50,000. The terms of the bond must run concurrent with the period of time during which the license will be in effect. The bond must run to the State for the use of the State and of any person or persons who may have a cause of action against the licensee under this Act. The bond must be conditional that the licensee will faithfully conform to and abide by the provisions of this Act and to all rules lawfully made by the administrator under this Act and will pay to the State and to any

such person or persons any and all amounts of money that may become due or owing to the State or to such person or persons from the licensee under and by virtue of this Act during the period for which the bond is given.

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

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

Sec. 3. 9-A MRSA §2-302, sub-§4, as amended by PL 1995, c. 614, Pt. A, §2, is further amended to read:

4. A separate license is required for each place of business. ~~A license fee exceeding \$200 may not be imposed for any license issued for a place of business other than that of the first licensed location of the licensee. Each branch location license application must be accompanied by a surety bond, in a form acceptable to the administrator, in the amount of \$50,000.~~

Sec. 4. 9-A MRSA §2-302, sub-§5-A, as amended by PL 2011, c. 427, Pt. B, §6, is further amended to read:

5-A. A licensee subject to subsection 1, paragraph A may conduct the business of making supervised loans only through a mortgage loan originator who possesses a current, valid license.

Sec. 5. 9-A MRSA §2-302, sub-§7, as amended by PL 2009, c. 243, §2, is repealed.

Sec. 6. 9-A MRSA §2-304, as amended by PL 1985, c. 336, §§3 and 4, is further amended to read:

§2-304. Records; annual and quarterly reports

2. The administrator may, ~~by rule, require every direct each~~ licensee to file a composite annual ~~report and quarterly reports~~ relating to all supervised loans made ~~or arranged~~ by that licensee. Information contained in annual ~~and quarterly~~ reports ~~shall be~~ is confidential and may be published only in composite form. The administrator may at any time require additional reports if ~~he deems~~ the administrator determines such action necessary to the proper supervision of licensees.

Sec. 7. 9-A MRSA §10-201, as amended by PL 2011, c. 427, Pt. B, §15, is repealed and the following enacted in its place:

§10-201. Licensing and biennial relicensing

A person desiring to engage or continue in business in this State as a loan broker shall apply to the administrator for a license under this Article as set forth in this section. The administrator may refuse the application if it contains erroneous or incomplete information. A license may not be issued unless the administrator, upon investigation, finds that the financial responsibility, character and fitness of the applicant and, when applicable, its partners, officers and directors and, when applicable, the character and fitness of its mortgage loan originators, warrant belief that the business will be operated honestly and fairly within the purposes of this Title.

1. Loan broker whose activities include arranging for or obtaining an extension of credit for a residential mortgage loan. A loan broker subject to this section whose activities include arranging for or obtaining an extension of credit for a residential mortgage loan must apply for a license electronically through the nationwide mortgage licensing system and registry. The initial application must include a fee of \$300 and a renewal application must include a fee of \$150. An application for a branch location license for a location other than that of the first licensed location from which the applicant conducts business or from which the applicant conducts business under a different name than that listed on the first license must be accompanied by a license fee of \$150 and an annual renewal fee of \$75. The applicant must also pay such nationwide mortgage licensing system and registry processing fees as are established by the nationwide mortgage licensing system and registry. A license expires on December 31st of each year and must be renewed through the nationwide mortgage licensing system and registry. Notwithstanding other remedies available under this Title, an application received after the due date is subject to an additional fee of \$100. A licensed loan broker subject to this subsection may conduct business only through a mortgage loan originator who possesses a current, valid license.

2. Loan broker whose activities do not include arranging for or obtaining an extension of credit for a residential mortgage loan. The initial application for a license as a loan broker subject to this section whose activities do not include arranging for or obtaining an extension of credit for a residential mortgage loan must be made directly to the administrator. Initial licenses are granted for a period not to exceed 2 years and expire January 31st. The initial application must include a fee of \$600, and a biennial relicensing application must include a fee of \$300. An application for a branch location license for a location other than that of the first licensed location from which the appli-

cant conducts business or from which the applicant conducts business under a different name than that listed on the first license must be accompanied by a license fee of \$300 and a biennial renewal fee of \$150. Notwithstanding other remedies available under this Title, applications received after the due date are subject to an additional fee of \$100.

A licensed loan broker may conduct business only through a mortgage loan originator who possesses a current, valid license.

The administrator may direct each licensee to file composite annual and quarterly reports relating to all brokered loans arranged or obtained by that licensee. Information contained in annual and quarterly reports is confidential and may be published only in composite form. The administrator may at any time require additional reports if the administrator determines such action necessary to the proper supervision of licensees.

Sec. 8. 9-A MRSA §13-106, sub-§1, as enacted by PL 2009, c. 362, Pt. B, §1, is amended to read:

1. Minimum education requirements. In order to meet the preclicensing education requirement set forth in section 13-105, subsection 4, a person must complete at least 20 hours of education approved in accordance with subsection 2, ~~which must include at least:~~

~~A. Three hours of instruction in federal law and regulations;~~

~~B. Three hours of ethics, which must include instruction on fraud, consumer protection and fair lending issues; and~~

~~C. Two hours of training related to lending standards for the nontraditional mortgage product marketplace.~~

Sec. 9. 9-A MRSA §13-107, as enacted by PL 2009, c. 362, Pt. B, §1, is amended to read:

§13-107. Testing of mortgage loan originators

1. Written test. In order to meet the written test requirement required under section 13-105, subsection 5, an individual must pass, in accordance with the standards established under this section, a **qualified** written test developed by the nationwide mortgage licensing system and registry and administered by a test provider approved by the nationwide mortgage licensing system and registry based upon reasonable standards.

~~**2. Qualified test.** A written test may not be treated as a qualified written test for purposes of subsection 1 unless the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including:~~

~~A. Ethics;~~

~~B. Federal laws and regulations pertaining to mortgage origination;~~

~~C. State laws and rules pertaining to mortgage origination;~~

~~D. Federal and state laws, rules and regulations, including instruction on fraud, consumer protection, the nontraditional mortgage product marketplace and fair lending issues.~~

3. Testing location. Nothing in this section prohibits a test provider approved by the nationwide mortgage licensing system and registry from providing a test at the location of the employer of the applicant, or any subsidiary or affiliate of the employer of the applicant, or any entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

4. Minimum competence. An individual is not considered to have passed a **qualified** written test unless the individual achieves a test score of not less than 75% correct answers to questions.

A. An individual may retake a test 3 consecutive times, undergoing each consecutive test at least 30 days after the preceding test.

B. After failing 3 consecutive tests, an individual must wait at least 6 months before taking the test again.

C. A licensed mortgage loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test.

Sec. 10. 9-A MRSA §13-109, sub-§1, as enacted by PL 2009, c. 362, Pt. B, §1, is amended to read:

1. Requirement. In order to meet the annual continuing education requirements set forth in section 13-108, subsection 1, paragraph B, a licensed mortgage loan originator must complete at least 8 hours of education approved in accordance with subsection 2, ~~which must include at least:~~

~~A. Three hours of federal laws and regulations;~~

~~B. Two hours of ethics, which must include instruction on fraud, consumer protection and fair lending issues; and~~

~~C. Two hours of training related to lending standards for the nontraditional mortgage product marketplace.~~

Sec. 11. 9-A MRSA §13-109, sub-§5, ¶A, as enacted by PL 2009, c. 362, Pt. B, §1, is amended to read:

A. Notwithstanding ~~subsection 9~~ and section 13-108, subsection 2, receive credit for a continuing education course only in the year in which the course is taken; and

Sec. 12. 9-A MRSA §13-109, sub-§6, as enacted by PL 2009, c. 362, Pt. B, §1, is repealed.

Sec. 13. 9-A MRSA §13-109, sub-§9, as enacted by PL 2009, c. 362, Pt. B, §1, is repealed.

Sec. 14. 9-A MRSA §13-110, sub-§2, as amended by PL 2011, c. 427, Pt. B, §20, is further amended to read:

2. Fees. The payment of fees to apply for or renew licenses through the nationwide mortgage licensing system and registry, that fee being initially established in the amount of \$20 to the administrator at application and \$20 for renewal, subject to adjustment pursuant to rule or order as set forth under this section. Renewal applications received after the due date are subject to an additional fee of \$100;

See title page for effective date.

CHAPTER 467

H.P. 1200 - L.D. 1677

**An Act To Make Minor
Technical Changes to the Laws
Governing the Department of
Labor**

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

Sec. 1. 5 MRSA §943, as amended by PL 2011, c. 655, Pt. D, §§5 and 6 and affected by §11 and amended by Pt. SS, §1, is further amended to read:

§943. Department of Labor

1. Major policy-influencing positions. The following positions are major policy-influencing positions within the Department of Labor. Notwithstanding any other provision of law, these positions and their successor positions are subject to this chapter:

- B. Director, Bureau of Labor Standards;
- C. Executive Director, Maine Labor Relations Board;
- E. Director of Legislative Affairs;
- F-1. Deputy Commissioner;
- G-1. ~~Beginning April 15, 1996, Executive Director, Bureau of Employment Services;~~
- J. ~~Executive Director, Office of Operations;~~
- K. Director, Bureau of Rehabilitation Services;
- L. Director, Bureau of Unemployment Compensation; and
- M. Director, ~~Public Information of Communications.~~

Sec. 2. 26 MRSA §61, sub-§2, as amended by PL 1999, c. 57, Pt. B, §5, is further amended to read:

2. Source of funds. The commissioner or the commissioner's designee shall annually assess a levy based on actual annual workers' compensation paid losses, excluding medical payments, paid in the most recent calendar year for which data is available by employers under former Title 39, the Workers' Compensation Act or Title 39-A, Part 1, the Maine Workers' Compensation Act of 1992. As soon as practicable after July 1st of each year, the commissioner or the commissioner's designee shall assess upon and collect from each insurance carrier licensed to do workers' compensation business in the State, and each group and individual self-insured employer authorized to make workers' compensation payments directly to their employees, a sum equal to that proportion of the current fiscal year's appropriation, exclusive of any federal funds, for the safety education and training program that the total workers' compensation benefits, exclusive of medical payments, paid by each licensed carrier or each group or individual self-insured employer, bear to the total of the benefits paid by all licensed carriers, and group and individual self-insured employers during the most recent calendar year for which data is available, except that the total amount levied annually may not exceed 1% of the total of the compensation benefits paid by all licensed carriers, and group and individual self-insured employers during the most recent calendar year for which data is available. A licensed carrier or group or individual self-insured must be assessed based on all benefits paid, exclusive of medical payments, during any year for which the carrier was licensed or the group or individual self-insured employer was authorized to make workers' compensation payments directly to their ~~employers~~ employees for any portion of the year.

Sec. 3. 26 MRSA §1083, sub-§2, as amended by PL 1977, c. 675, §13, is further amended to read:

2. Financing. All ~~moneys~~ funds received by this State under the ~~said Act of Congress federal Wagner-Peyser Act~~, as amended, ~~shall must~~ be paid into the ~~Employment Security Administration Fund~~, and ~~said moneys are an employment services fund and the funds made available to the commissioner to be expended as provided by this section and by said that Act of Congress.~~ For the purpose of establishing and maintaining free public employment offices, the commissioner is authorized to enter into agreements with the Railroad Retirement Board, or any other agency of the United States charged with the administration of an unemployment compensation law or employment security law, with any political subdivision of this State or with any private, nonprofit organization, and as a part of any such agreement the commissioner may accept ~~moneys~~ funds, services or quarters as a contribution to the ~~Employment Security Administration Fund~~ an employment services fund.