

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
BANKING AND INSURANCE
BILL SUMMARY



JUNE 1987

PREPARED BY:

Jeri Gautschi, Legislative Analyst

OFFICE OF POLICY AND LEGAL ANALYSIS
STATE HOUSE, STATION 13 AUGUSTA, MAINE 04333
(207) 289-1670

HELEN T. GINDER, DIRECTOR
HAVEN WHITESIDE, DEP. DIRECTOR
GILBERT W. BREWER
DAVID C. ELLIOTT
GRO FLATEBO
MARTHA E. FREEMAN, SR. ATTY.
JERI B. GAUTSCHI
CHRISTOS GIANOPOULOS
WILLIAM T. GLIDDEN, JR.



STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS

ROOM 101/107
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

JULIE S. JONES
JOHN B. KNOX
EDWARD POTTER
MARGARET J. REINSCH
LARS H. RYDELL
JOHN R. SELSER
CAROLYN J. CHICK, PARALEGAL
ROBERT W. DUNN, RES. ASST.
HARTLEY PALLESCHI, JR., RES. ASST.
KATHRYN VAN NOTE, RES. ASST.

ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1987

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Sponsor: GOULD, R. A., Melendy, Tracy, Brannigan
Committee Report: LVWD

SUMMARY: This bill establishes a group health insurance plan for individuals who cannot afford health insurance. The superintendent is authorized to contract with an insurer and to set income eligibility requirements. No person or family will be required to pay more than 10% of their total income. The remainder will be paid by the State.

Sponsor: BAKER
Committee Report: ONTP

SUMMARY: This bill requires any financial institution to notify a borrower when his or her mortgage is sold on the secondary market. The bill specifies that notification must be made within 10 days of the transfer. The notification must include information necessary to contact the purchaser of the loan, as well as other financial information regarding the loan. Any lender failing to comply will be liable to the borrower for actual damages plus \$500 per occurrence.

Sponsor: BOTT, Garland, Simpson, Randall
Committee Report: OTP-AM
Amendments Adopted:
H-97 COMMITTEE

SUMMARY: Drivers under the age of 21 are issued provisional licenses. A driver with a provisional license comes under stricter penalties than those with regular licenses whenever the driver is convicted of a moving violation. One conviction can result in a 30-day suspension, and 2 convictions can result in a 60-day suspension. A person over 21 years of age who has had his or her license for more than a year would not be given a suspension in either case.

This bill prevents an insurance company from cancelling the automobile insurance of a new driver under the age of 21 who has had his or her provisional driver's license suspended for a first or 2nd time for a moving violation. Currently, an insurer may cancel a policy when there is any suspension by anyone named in the policy.

Committee Amendment A (H-97) expands the exception in the original bill to provisional licensees who are 21 years of age or older. Thus, all provisional licensees regardless of age are treated equally.

LD 784 AN ACT RELATING TO CHECK CASHING

PL 1987
c. 244

Sponsor: BUSTIN, Andrews, Rydell, Carroll
Committee Report: OTP-AM
Amendments Adopted:
S-79 Committee

SUMMARY: This bill prohibits merchants or other payees, when accepting a personal check as a form of payment, from requiring the consumer to use a major credit card as a form of identification.

Committee Amendment A (S-79) adds a provision to clarify that a merchant may ask for a credit card as proof of identification for check cashing, but may not require it if a buyer does not possess a credit card. This would not prohibit a merchant from requiring any other type of identification.

LD 788 AN ACT TO CONTROL POINTS IN FIRST MORTGAGE
TRANSACTIONS

LVWD

Sponsor: BUSTIN, Racine, Tracy
Committee Report: LVWD

SUMMARY: This bill addresses the issue of mortgage points in 2 ways. In second mortgage and consumer loan transactions that are subject to the Maine Consumer Credit Code, the bill requires that any prepaid finance charges be refunded according to an equitable formula if a loan is prepaid.

This bill also establishes authority in the Superintendent of the Bureau of Consumer Credit Protection to regulate the charging of points, or other loan fees, by bank and nonbank mortgage lenders in first lien mortgage lending transactions.