

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
BANKING AND INSURANCE
BILL SUMMARY



JUNE 1987

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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

LD AN ACT TO ESTABLISH AN INSURANCE COMMISSION
1556

CARRY-OVER

Sponsor: MARTIN, J., Rydell, Theriault, Bustin
Committee Report: CARRY-OVER

SUMMARY: This bill establishes a 3-member Insurance Commission which would replace the Superintendent of Insurance. This bill is the subject of an interim study.

LD AN ACT TO AMEND THE MAINE PRODUCE LIABILITY
1559 RISK RETENTION ACT

ND LD 1858

Sponsor: BRANNIGAN, Collins, Davis, Erwin, P.
Committee Report: OTP-ND LD 1858

SUMMARY: See New Draft, LD 1858.

LD AN ACT TO RECODIFY THE FIRST-LIEN REAL ESTATE
1560 SECURED LENDING PROVISIONS RELATING TO NONBANKS
IN THE MAINE CONSUMER CREDIT CODE

PL 1987
c. 396

Sponsor: BRANNIGAN, Telow, Racine
Committee Report: OTP-AM
Amendments Adopted:
S-163 COMMITTEE

SUMMARY: This bill reorganizes and recodifies provisions from 4 articles of the Maine Consumer Credit Code that deal with first-lien mortgage lending by nonbanks into a new Article IX. The bill makes all loans or credit sales by nonbanks that are secured by a first mortgage on real estate subject to the Code, regardless of the interest rate. Current law exempts such mortgages from the Code if the rate is 12 1/4% or less.

Committee Amendment A (S-163) makes technical changes and substantive additions to the original bill. This amendment places mobile home loans and credit sales where no real estate is involved back under the Code because these were accidentally excluded by PL 1985, c. 763. The amendment preserves the status quo on fees to be paid by mortgage companies for loans under 12 1/4% interest. Volume fees are not required unless the disclosed interest rate exceeds 12 1/4%.

The amendment makes loans less than 12 1/4% made by creditors that are not supervised financial institutions subject to the Maine Consumer Credit Code and continues the policy of making financial institution loans less than 12