

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
128<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON INSURANCE AND  
FINANCIAL SERVICES**

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# STATE OF MAINE

128<sup>TH</sup> LEGISLATURE  
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## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128<sup>th</sup> Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

*CARRIED OVER*..... carried over to a subsequent session of the Legislature  
*CON RES XXX*..... chapter # of constitutional resolution passed by both houses  
*CONF CMTE UNABLE TO AGREE*..... Committee of Conference unable to agree; legislation died  
*DIED BETWEEN HOUSES*..... House & Senate disagreed; legislation died  
*DIED IN CONCURRENCE*..... defeated in each house, but on different motions; legislation died  
*DIED ON ADJOURNMENT*..... action incomplete when session ended; legislation died  
*EMERGENCY*..... enacted law takes effect sooner than 90 days after session adjournment  
*FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE*..... emergency failed to receive required 2/3 vote  
*FAILED, ENACTMENT or FINAL PASSAGE*..... failed to receive final majority vote  
*FAILED, MANDATE ENACTMENT*..... legislation proposing local mandate failed required 2/3 vote  
*HELD BY GOVERNOR*..... Governor has not signed; final disposition to be determined at subsequent session  
*LEAVE TO WITHDRAW*..... sponsor's request to withdraw legislation granted  
*NOT PROPERLY BEFORE THE BODY*..... ruled out of order by the presiding officer; legislation died  
*INDEF PP*..... indefinitely postponed; legislation died  
*ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X*... ought-not-to-pass report accepted; legislation died  
*P&S XXX*..... chapter # of enacted private & special law  
*PUBLIC XXX*..... chapter # of enacted public law  
*RESOLVE XXX*..... chapter # of finally passed resolve  
*VETO SUSTAINED*..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 128<sup>th</sup> Legislature is Wednesday, November 1, 2017. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

## Joint Standing Committee on Insurance and Financial Services

Maine law and has demonstrated that it has the legal authority to do so.

The law sets license fees for nonresidents acting in this State as insurance producers pursuant to a national nonresident insurance producer license issued by the National Association of Registered Agents and Brokers and requires them to be appointed by the insurers they represent according to the procedures otherwise applicable to appointment of producers, including the payment of appointment fees.

### **LD 1506 An Act To Amend the Usage and Consumer Protections of Guaranteed Asset Protection Waivers**

**PUBLIC 178**

| <u>Sponsor(s)</u>       | <u>Committee Report</u> | <u>Amendments Adopted</u>   |
|-------------------------|-------------------------|-----------------------------|
| WHITTEMORE R<br>FOLEY R | OTP-AM                  | S-142<br>S-154 WHITTEMORE R |

This bill specifies the rights and obligations of parties to a guaranteed asset protection waiver. A guaranteed asset protection waiver is a contractual agreement in which a creditor agrees for a separate charge to cancel or waive all or part of the amount due on a borrower's finance agreement for a motor vehicle in the event of a total physical damage loss or unrecovered theft of the motor vehicle.

#### **Committee Amendment "A" (S-142)**

This amendment makes the following changes to the bill.

1. It clarifies that guaranteed asset protection waivers must include a cancellation provision and ensures that consumers are entitled to pro rata refunds upon cancellation.
2. It includes specific references to the Maine Revised Statutes, Title 24-A.
3. It clarifies that the Superintendent of Financial Institutions is the regulator in relation to state-chartered banks and credit unions.
4. It makes technical changes to use terminology consistent with current law.

#### **Senate Amendment "A" To Committee Amendment "A" (S-154)**

This amendment adds cross-references and specifically refers to credit unions to ensure that credit unions are included in the bill's provisions.

#### **Enacted Law Summary**

Public Law 2017, chapter 178 specifies the rights and obligations of parties to a guaranteed asset protection waiver. A guaranteed asset protection waiver is a contractual agreement in which a creditor agrees for a separate charge to cancel or waive all or part of the amount due on a borrower's finance agreement for a motor vehicle in the event of a total physical damage loss or unrecovered theft of the motor vehicle.

### **LD 1507 An Act To Establish a Student Loan Bill of Rights To License and Regulate Student Loan Servicers**

**CARRIED OVER**

| <u>Sponsor(s)</u>      | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|------------------------|-------------------------|---------------------------|
| VITELLI E<br>HIGGINS N |                         |                           |

## *Joint Standing Committee on Insurance and Financial Services*

This bill does the following.

1. It creates a position of student loan ombudsman under the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection. The student loan ombudsman's duties include: receiving, reviewing and, if possible, resolving complaints from student loan borrowers; compiling and analyzing student loan borrower data; assisting student loan borrowers to understand their rights and responsibilities; providing information to the public, agencies and Legislators regarding concerns of student loan borrowers and making recommendations to resolve them; analyzing and monitoring the development and implementation of other legislation and policies that affect student loan borrowers and recommending necessary changes; reviewing student loan history for borrowers who consent; disseminating information about the ombudsman's availability to assist others; establishing and maintaining a student loan borrower education course; and other necessary actions.
2. It requires the superintendent to submit an annual report by January 1st of each year in regard to the effectiveness of the student loan ombudsman and to recommend additional steps necessary to gain regulatory control over licensing and enforcement with respect to student loan servicers.
3. It establishes a licensing procedure for student loan servicers, which includes an investigation of an applicant, along with a license fee and an investigation fee.
4. It identifies prohibited acts for student loan servicers, including employing any scheme, device or artifice to defraud or mislead student loan borrowers.
5. It identifies duties of the superintendent in regard to investigations and examinations of student loan servicers.
6. It requires student loan servicers to comply with all applicable federal laws and regulations related to student loan servicing.
7. It requires the Commissioner of Professional and Financial Regulation to adopt routine technical rules necessary to carry out the provisions in this bill.

### **Committee Amendment "A" (S-188)**

This amendment makes the following changes to the bill.

1. It removes the provision creating the position of student loan ombudsman under the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection.
2. It clarifies the definition of "student education loan."
3. It provides an exemption from the licensing provisions for supervised financial organizations, financial institution holding companies and mutual holding companies and clarifies that a student loan servicer does not include supervised financial organizations, financial institution holding companies and mutual holding companies.
4. It provides an exemption from the licensing provisions for the Finance Authority of Maine.
5. It provides funding to the department for additional printing, copying and postage.

This amendment was not adopted.

This bill was reported out of committee and then recommitted to the committee; it was then carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.