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INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE

SENATE

128TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT “ ” to S.P. 444, L.D. 1292, Bill, “An Act To Improve the Foreclosure Process by Regulating Mortgage Loan Servicers”

Amend the bill by striking out all of section 3.

Amend the bill by striking out all of section 5 and inserting the following:

'Sec. 5. 9-A MRSA §2-301, as amended by PL 1987, c. 129, §33, is further amended to read:

§2-301. Authority to make or service supervised loans

Unless a person is a supervised financial organization, a financial institution holding company as defined in Title 9-B, section 1011, subsection 1 or a mutual holding company as defined in Title 9-B, section 1052, subsection 2 or has first obtained a license pursuant to this Act from the administrator authorizing him the person to make or service supervised loans, ~~he shall~~ the person may not engage in the business of:

1. Making supervised loans; ~~or~~

2. Taking assignments of and undertaking direct collection of payments from or enforcement of rights from an office in this State against debtors arising from supervised loans; ~~or~~

3. Servicing mortgage loans.

Amend the bill by adding after section 10 the following:

'Sec. 11. 9-A MRSA §9-101, as amended by PL 2007, c. 273, Pt. A, §24 and affected by §41, is further amended to read:

§9-101. Scope

This ~~article~~ Article applies to all consumer credit transactions made by creditors that are not supervised financial organizations, that are made to finance or refinance the acquisition of real estate or the initial construction of a dwelling or that are secured by a first-lien mortgage on real estate and applies to the servicing of those transactions.

Sec. 12. 9-A MRSA §9-201, as enacted by PL 1987, c. 396, §12, is amended to read:

§9-201. Authority to make or service supervised loans; licensing

The provisions of ~~article II, part 3, sections 2-301 to 2-304 shall~~ control the authority of supervised lenders and mortgage loan servicers that are not supervised financial organizations; to make or service loans governed by this ~~article~~ Article.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment makes the following changes to the bill.

1. It establishes that the requirements of the bill apply to servicers of first-lien mortgages.

2. It clarifies that servicers must comply with the real estate settlement procedures requirements and the truth in lending requirements of Maine law by adding specific reference to servicers to the Maine Revised Statutes, Title 9-A, Article 9.

3. It removes a section of the bill that unnecessarily modifies a reference to supervised financial institutions.

4. It clarifies that the bill is not intended to assert jurisdiction by the Bureau of Consumer Credit Protection within the Department of Professional and Financial Regulation over financial institution holding companies or mutual holding companies.

FISCAL NOTE REQUIRED

(See attached)