

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-THREE

—
S.P. 449 - L.D. 1080

An Act to Require Supervised Lenders or Mortgage Loan Servicers to Notify Private Mortgage Insurance Consumers of Their Rights Under the Federal Homeowners Protection Act of 1998

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

Sec. 1. 9-A MRSA §9-315 is enacted to read:

§9-315. Notice of rights under federal Homeowners Protection Act of 1998

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Private mortgage insurance" has the same meaning as in the federal Homeowners Protection Act of 1998, as in effect on January 1, 2023, 12 United States Code, Section 4901(13).

B. "Residential mortgage transaction" means a transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment contract or equivalent consensual security interest is created or retained against a single-family dwelling or a dwelling that consists of no more than 4 units that is the principal residence of the mortgagor to finance the acquisition, initial construction or refinancing of that dwelling.

2. Annual notice. A supervised lender, or a mortgage loan servicer acting on behalf of a supervised lender, in a residential mortgage transaction shall disclose in an annual written statement to the mortgagor:

A. The rights of the mortgagor under the federal Homeowners Protection Act of 1998 to cancellation or termination of the private mortgage insurance requirement; and

B. The address and telephone number that the mortgagor may use to contact the supervised lender or mortgage loan servicer to determine whether the mortgagor may cancel the private mortgage insurance.

Sec. 2. Application. This Act applies to private mortgage insurance created or renewed on or after the effective date of this Act and to residential mortgage transactions entered into on or after the effective date of this Act.