

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND TWENTY-THREE

H.P. 358 - L.D. 553

An Act to Require Mortgage Holders to Notify a Homeowner's Insurance Company on the Sale or Transfer of a Mortgage

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

Sec. 1. 9-A MRSA §9-305-A, as enacted by PL 2005, c. 206, §3, is repealed and the following enacted in its place:

§9-305-A. Timely payments from escrow and notice of sale or transfer of mortgage on real estate

1. Payments from escrow. A creditor, assignee or servicer that holds or controls funds of a consumer in an escrow account for the payment of taxes or insurance premiums shall make timely payments from that escrow account for a consumer credit transaction secured by a mortgage on real estate. A creditor, assignee or servicer is liable to the consumer for actual damages resulting from failure to make timely payments from that escrow account. The creditor, assignee or servicer shall also rectify the results of a failure to make timely payments, including causing corrections of the consumer's credit report and causing the discharge of any liens against the consumer's real estate.

2. Notice of transfer or sale of mortgage on real estate. A creditor, assignee or servicer that holds or controls funds of a consumer in an escrow account for the payment of insurance premiums for a consumer credit transaction secured by a mortgage on real estate shall notify the insurer that provides insurance coverage for the real estate subject to the mortgage upon the sale or transfer of the mortgage. A creditor, assignee or servicer may satisfy the notice requirement in this subsection by providing the insurer with a copy of the notice of the sale or transfer of the mortgage sent to the consumer.