



Maine Credit Union League

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In Support of LD 1072

An Act Regarding the Bureau of Motor Vehicles

Joint Committee on Transportation

April 27, 2023

Good Afternoon, Senator Chipman, Representative Williams, and distinguished members of the Joint Committee on Transportation,

My name is Cate Pineau and I am here to submit testimony on behalf of the Maine Credit Union League. The Maine Credit Union League is the trade association for Maine's 50 credit unions and over 725,000 members statewide. We respectfully submit the following testimony **in favor of LD 1072.**

Credit unions are frequently involved in auto lending and refinancing. As financial cooperatives, credit unions are often able to offer their members good rates and are frequently able to help Mainers looking to purchase a new vehicle or to refinance one at a better rate. This bill would allow for the Bureau to have more flexibility in when they apply late fee fines.

At the beginning of the pandemic, the Bureau was extremely far behind in processing titles and at times this meant that the financial institution that was providing the financing for a car purchase was unable to get the title application mailed in within the statutorily required 30 days causing a mandatory fee to be imposed on the credit union. Through the leadership of Secretary of State Bellows and Deputy Secretary Curtis, the backlog of titles is significantly lower, taking only a few days to process titles rather than the months that it has been in recent memory. However, the industry still faces challenges: large financial institutions are often slow to release the title for a refinancing, and delays in the postal service have resulted in credit unions being assessed the fine despite having done everything right.

Section 3 of LD 1072 allows the Bureau to be flexible and to use their discretion in imposing a fine given the circumstances. Credit unions have spent thousands of dollars on these fines because of external forces and the flexibility would bring the knowledge of the Bureau into these decisions and would save businesses and consumers money and headaches.

The League would like to thank the Bureau of Motor Vehicles, Secretary Bellows, and Senator Chipman for including this provision in the bill. We appreciate the opportunity to offer testimony on this important topic. If the League can be of any assistance during the deliberations of this bill or others similar, please do not hesitate to contact us.