

MAINE BANKERS

Association

January 13, 2026

Testimony to the 132nd Maine Legislature
Committee on Housing and Economic Development

Greetings, Senator Curry, Representative Gere, honorable members of the Committee. My name is Josh Steirman and I am Director of Government Relations with the Maine Bankers Association. We are testifying in opposition to specific language included in L.D. 2057, *An Act to Support Rehabilitation and Development of Affordable Manufactured Housing Communities*. Please note that we support much of the sponsor's general intent, but have concern with impact from portions of draft language in Section 1.B.

The Maine Bankers Association is the trade association representing 34 retail banks across Maine, with over 9,000 employees in virtually every community state-wide. Last year, our banks provided over \$2.5 billion in residential real estate loans, and over \$3.2 billion in small business loans. Maine bankers are your neighbors, working to provide a safe place for deposits, modern technology solutions, fraud protection, a home mortgage, or a small business loan.

Section 1.B. of the draft bill would permit Maine State Housing Authority (MSHA) to "make the whole construction loan" for certain types of affordable housing development projects, without the use of an escrow agent or participating lender or financial institution. This is a departure from MSHA's historically complementary approach to financing this particular type of development project. We are concerned that the change would lead to exclusion of non-governmental lenders from competing for these projects.

Bankers across Maine have a long history of working together with MSHA and other government entities to build housing at affordable costs. We are grateful for the spirit of collaboration we have enjoyed together for many years. Importantly, our partnerships are often very successful because the relationship is complementary, with each party providing resources otherwise unavailable. This is why we are concerned with the language in Section 1.B; permitting MSHA to finance the entirety of an increasing share of development projects may lead to the exclusion of private capital. Building affordable housing in Maine is a complex challenge, and we should adopt an all-of-the-above approach that utilizes a combination of government resources and private capital. No solution or responsible lender should be excluded from competing for projects; developers will inevitably select the most competitive offerings.

Again, we underscore that banks share the sponsor's goal of increasing access to housing at affordable prices. Additionally, we take no position on the manufactured housing portions of the bill. Our concerns are limited to provisions concerning whether MSHA will access the entirety of new development projects.

Thank you for your consideration of our concerns. We are grateful for the sponsor's cooperation and our dialogue with MSHA, and I will be available for questions at the work session.

Respectfully Submitted,
Joshua Steirman
Director of Government Relations