



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF
PROFESSIONAL & FINANCIAL REGULATION



Joan F. Cohen
Commissioner

**Testimony of the Department of Professional and Financial Regulation
Commissioner Joan Cohen**

Before the Joint Standing Committee on Appropriations and Financial Affairs and
The Joint Standing Committee on Housing and Economic Development

LD 2212, An Act to Make Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027

Hearing Date: February 19, 2026

Senator Rotundo, Representative Gattine, Senator Curry, Representative Gere, Members of the Joint Standing Committee on Appropriations and Financial Affairs and Members of the Joint Standing Committee on Housing and Economic Development; my name is Joan Cohen, Commissioner of the Department of Professional and Financial Regulation. I am here today to share some information about the initiatives beginning on page A-103 and language part RRRR on page 85 in the supplemental budget proposal related to the Department of Professional and Financial Regulation and speak in support of LD 2212.

The Maine Department of Professional and Financial Regulation is charged with protecting the health, safety and welfare of citizens of Maine through the regulation of State-chartered financial institutions, the insurance industry, grantors of consumer credit, the securities industry, and numerous professions and occupations providing services to the public through licensing, examination, and auditing activities; by conducting programs aimed at increasing voluntary compliance with State laws; by investigating possible violations of law; and by undertaking enforcement actions. By encouraging the development of sound ethical businesses which serve the needs of Maine citizens, the Department fosters a healthy business environment through competent, impartial and efficient regulation.

As you are aware, this is the final budget proposal from the Mills Administration. Broadly, the proposal delivers financial relief to Maine people, preserves programs lawmakers and Maine people support, and addresses some emergent issues, including impacts of new federal legislation. Governor Mills' guiding belief has always been that our strongest asset is the people of Maine and that's why this budget, like those in the past, seeks to invest in and support them. The Administration looks forward to working with the Legislature in the coming weeks to enact a balanced budget that supports Maine people and protects the fiscal health of our state.

As you heard, from the Director the Maine Office of Community Affairs (MOCA) the budget initiatives on page A-103 and on language page 85 transfer the Manufactured Housing Board (MHB) regulations, budget and positions from DPFR's Office of Professional and Occupational Regulation (OPOR) and places them under the Maine Office of Community Affairs (MOCA.)

This proposal represents an important regulatory reform intended to help Maine respond to the housing crisis, rationalize the regulation of an industry that has changed substantially over the decades, rationalize codes governing that industry, respond to the changing needs of industry and consumers, and provide a single government agency for industry and consumers to access information, resources and assistance.

Let me first start by talking generally about regulatory reform. Change is not easy. In general, humans prefer the known - often believing that the current state is better or safer than an unknown alternative. Some people prefer the status quo even while frustrated by it. And there are always vested interests that benefit from the status quo.

However, when I accepted my position as Commissioner, I made clear that I was committed to right touch regulation. And to me, that includes recognizing when existing regulations need to be modernized to better serve the public and foster economic growth and innovation.

The Housing Production Innovation Working Group, on which I served, made a number of recommendations to help the state realize the potential of industrialized housing systems to meet the state's housing goals. This budget initiative represents one of the working groups' recommendations. It is an important step toward reenvisioning Maine's Manufactured Housing Act as an Industrialized Construction Act to unlock the potential of innovative construction technologies. This proposed change is an innovative approach to industrialized housing production that requires modernizing Maine's regulatory regimes.

The Working Group identified that Maine is an outlier in how it licenses and regulates manufactured housing. The intent of this proposal is to bring Maine more in line with other states in terms of industrialized building regulation.

Maine needs a clear and rational set of rules that manufacturers and builders can more easily follow. Maine is currently challenged by varied local regulations, code interpretations, and regulatory frameworks. Modular housing in Maine is governed by a patchwork of codes. The MHB oversees 1- and 2-unit residential buildings and townhouses. It is governed by separately adopted iterations of International Code Council (ICC) codes, while factory-produced 3+ unit residential buildings and commercial buildings, for which there is no separate code or inspection system within the Manufactured Housing Act, are governed by MUBEC.

It makes sense to rationalize the codes, create a single code governing all industrialized housing, and maintain that code within a single agency. MOCA currently oversees MUBEC and code enforcement. Its mission is to provide coordinated technical assistance and resources and serve as a one-stop shop for consumers, industry and government partners. The move to MOCA makes sense.

Finally, I want to state on the record that this proposed change is not in any way a statement about the great work of the Manufactured Housing Board or MHB staff. The board and staff have been diligent and caring stewards of their public protection mission. This change is about identifying the need to modernize a regulatory system for the benefit of the state and the people it serves.

There are a lot of details to work out, and we are committed to working with MOCA to ensure a smooth transition.