

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Regulate Foreclosure Negotiators

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

Sec. 1. 32 MRS §6183 is enacted to read:

§ 6183. Debt management services related to residential mortgage loans

A person that engages in debt management services as described in section 6172, subsection 2, paragraph D related to a consumer's residential mortgage loan shall comply with the requirements of this chapter governing debt management service providers, except for section 6174-B, section 6177, subsection 1 and section 6179, subsections 1 and 3. In addition, the consumer's right to cancel the agreement by providing a written notice of cancellation to the other party pursuant to section 6176, subsection 2, paragraph E is effective for only 7 calendar days after the agreement is signed by the consumer.

Sec. 2. Effective date. This Act takes effect January 1, 2010.

SUMMARY

This bill clarifies that businesses acting as foreclosure negotiators relating to residential mortgages are subject to the laws regulating debt management service providers, but exempts those businesses from certain provisions of current law, such as the requirements to provide credit counseling services and to provide the consumer with certain internal business records. In addition, since foreclosure negotiators arrange for the purchase of property, the bill establishes a 7-day period during which an agreement may be cancelled as opposed to the current law's ongoing right to cancel, which is tailored to the activities of traditional debt management service providers. The bill retains consumer protections such as the requirement to register with the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection, post a surety bond to ensure compliance and accountability with the law and provide written agreements to consumers. The bill has an effective date of January 1, 2010.