

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

—
H.P. 1082 - L.D. 1466

**An Act To Improve the Efficiency of Certain Consumer Credit Protection
Laws**

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

PART A

Sec. A-1. 9-A MRSA §1-201, sub-§1, as amended by PL 2005, c. 604, §1, is further amended to read:

1. Except as otherwise provided in this section, this Act applies to consumer credit transactions and open-end credit plans made or entered into in this State. For purposes of this Act, a consumer credit transaction or open-end credit plan is made or entered into in this State if: the creditor, wherever located, enters into a consumer credit transaction or open-end credit plan with a consumer who is located in this State.

~~A. A signed writing evidencing the obligation or offer of the consumer is received by the creditor in this State;~~

~~B. The creditor, wherever located, induces the consumer who is a resident of this State to enter into the transaction or open-end credit plan by face-to-face, mail, telephone or electronic mail solicitation in this State; or~~

~~C. With respect to a payday loan, the lender, wherever located, enters into a payday loan transaction with a consumer who is located in this State.~~

Sec. A-2. 9-A MRSA §1-301, sub-§17, as amended by PL 2017, c. 106, §1, is further amended by amending the 4th blocked paragraph to read:

~~A Except with respect to credit sales of automobiles, a person regularly extends consumer credit only if the person extended credit other than credit subject to high-cost mortgage loan requirements more than 25 times or more than 5 times for transactions secured by a dwelling in the preceding calendar year. With respect to credit sales of automobiles, a person regularly extends consumer credit only if the person extended credit more than 15 times in the preceding calendar year.~~ If a person did not meet these numerical standards in the preceding calendar year, the numerical standards must be applied to the current calendar year.

Sec. A-3. 9-A MRSA §2-301, sub-§2, as amended by PL 2017, c. 106, §4, is further amended to read:

2. Taking assignments of and undertaking direct collection of payments from or enforcement of rights ~~from an office in this State~~ against debtors arising from supervised loans; or

Sec. A-4. 9-A MRSA §6-116, sub-§2, as amended by PL 2009, c. 402, §4, is further amended to read:

2. Financial information not normally available to the public that is submitted in confidence by an individual or organization to comply with the licensing, registration or other regulatory functions of the administrator, including information derived from a credit or background investigation conducted pursuant to section 6-105-A, subsection 2;

Sec. A-5. 9-A MRSA §6-203, sub-§3-D is enacted to read:

3-D. Notwithstanding subsection 3-C, the administrator may by rule adjust the fees paid with respect to creditors that are not supervised financial organizations making residential mortgage loans to support the costs of compliance and staff attorney positions. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. A-6. 10 MRSA §1273, as enacted by PL 1993, c. 115, §1 and amended by PL 1995, c. 309, §27, is further amended to read:

§1273. Administrative enforcement

The ~~Director of Consumer Credit Regulation~~ Superintendent of Consumer Credit Protection may take appropriate action to ensure compliance with this chapter, including without limitation: to receive and act on complaints; negotiate an assurance in writing that a violator will not engage in the same or similar conduct in the future; conduct hearings in accordance with the Maine Administrative Procedure Act and issue a cease and desist order for violation of this chapter; and refer cases to the Attorney General, who may bring a civil action against a person for knowingly violating a written assurance of discontinuance. If a court finds a violation of this chapter it may assess a civil forfeiture of not more than \$1,000.

Sec. A-7. 10 MRSA §1495-H, sub-§6, as enacted by PL 2003, c. 668, §6 and affected by §12, is repealed and the following enacted in its place:

6. Action on license. After notice and the opportunity for hearing before the administrator, revocation, suspension or nonrenewal of the payroll processor's license.

A respondent aggrieved by an order of the administrator may obtain judicial review of the order in the Superior Court. The proceeding for review is initiated and conducted in accordance with Title 5, chapter 375, subchapter 7.

Sec. A-8. 30-A MRSA §3964-A, sub-§3, as amended by PL 2011, c. 427, Pt. D, §19, is further amended to read:

3. Model forms. The ~~Director of Consumer Credit Regulation~~ Superintendent of Consumer Credit Protection may issue model disclosure forms and clauses to facilitate compliance with the disclosure and computational requirements of this subchapter, pursuant to the truth-in-lending provisions of the Maine Consumer Credit Code, Title 9-A, Article 8-A.

Sec. A-9. 32 MRSA §6102, sub-§10, as enacted by PL 1997, c. 155, Pt. A, §2, is amended to read:

10. Money transmission. "Money transmission" means the business of selling or issuing payment instruments or the business of receiving money, including virtual currencies, for transmission or transmitting money, including virtual currencies, within the United States or to locations abroad by any means, including, but not limited to, payment instrument, wire, facsimile or electronic transfer.

Sec. A-10. 32 MRSA §6102, sub-§15 is enacted to read:

15. Virtual currency. "Virtual currency":

A. Means a digital representation of value that:

(1) Is used as a medium of exchange, unit of account or store of value; and

(2) Is not legal tender, whether or not denominated in legal tender; and

B. Does not include:

(1) A transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant for legal tender, bank credit or virtual currency; or

(2) A digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform or family of games sold by the same publisher or offered on the same game platform.

Sec. A-11. 32 MRSA §11051, as amended by PL 2009, c. 243, §7, is further amended to read:

§11051. Investigation, suspension and revocation of licenses

The Bureau of Consumer Credit Protection may examine or investigate the records and practices of any person the ~~superintendent~~ administrator believes has engaged in conduct governed by this chapter in accordance with Title 9-A, section 6-106, may review and approve collection letters proposed for use in this State and may charge for expenses incurred pursuant to Title 9-A, section 6-106, subsection 6. ~~The superintendent may file a complaint with the District Court to suspend or revoke a license issued pursuant to this chapter, if, after investigation or hearing, or both, the superintendent has reason to believe that the licensee has violated any provisions of this chapter or any administrative rules issued pursuant to this chapter, or has failed to maintain its financial condition sufficient to qualify for a license on an original application.~~

After notice and opportunity for hearing, the administrator may suspend or revoke a licensee's license issued pursuant to this chapter if the administrator finds that:

1. Grounds for denial. A fact or condition exists that, if it had existed at the time when the licensee applied for its license, would have been grounds for denying the application;

2. Violations. The licensee has knowingly violated any material provision of this chapter or any rule adopted or order validly issued by the administrator under authority of this chapter;

3. **Safety and soundness.** The licensee is conducting its business in an unsafe or unsound manner;

4. **Insolvency.** The licensee is insolvent;

5. **Failure to meet obligations.** The licensee has suspended payment of its obligations, has made an assignment for the benefit of its creditors or has admitted in writing its inability to pay its debts as they become due;

6. **Bankruptcy.** The licensee has applied for an adjudication of bankruptcy, reorganization, arrangement or other relief under any bankruptcy;

7. **Refusal of examination.** The licensee has refused to permit the administrator to make an examination authorized by this chapter;

8. **Failure to respond.** The licensee has failed to promptly and adequately respond to communications from the administrator; or

9. **Failure to file report.** The licensee has willfully failed to make a report required by this chapter.

Sec. A-12. 32 MRSA §11051-B is enacted to read:

§11051-B. Administrative enforcement orders

1. **Cease and desist.** After notice and hearing, the administrator may order a person to cease and desist from engaging in violations of this chapter or a lawful rule adopted or order issued by the administrator and may further order that the person take appropriate corrective action to reimburse consumers in cases in which consumers have been charged amounts in excess of those permitted by this chapter. Notice and hearing need not be provided prior to issuance of an order to cease and desist when, in the opinion of the administrator, immediate action is required to protect the public interest and:

A. The debt collector has not complied with section 11031; or

B. The debt collector does not maintain a permanent place of business in this State.

A respondent aggrieved by an order of the administrator may obtain judicial review of the order in the Superior Court. The proceeding for review is initiated and conducted in accordance with Title 5, chapter 375, subchapter 7.

2. **Objection not urged; remand.** An objection not urged at the hearing under subsection 1 may not be considered by the court unless the failure to urge the objection is excused for good cause shown. A party may move the court to remand the case to the administrator in the interest of justice for the purpose of adducing additional specified and material evidence and seeking findings thereon upon good cause shown for the failure to adduce this evidence before the administrator.

3. **Testimony available to parties.** The administrator's copy of the testimony at the hearing under subsection 1 must be available at reasonable times to all parties for examination without cost.

4. **Obtain decree.** If no proceeding is initiated under subsection 1, the administrator, through the Attorney General, may obtain a decree of the Superior Court for enforcement of its order upon showing that the order was issued in compliance with this section, that no proceeding for review was timely initiated and that the respondent is subject to the

jurisdiction of the court. The decree of the Superior Court may also provide any relief available in an action brought under Title 9-A, section 6-110.

5. Unconscionable agreements; fraudulent, unconscionable conduct. With respect to unconscionable agreements or fraudulent or unconscionable conduct by the respondent, the administrator may not issue an order pursuant to this section, but, through the Attorney General, may bring a civil action for an injunction.

Sec. A-13. 32 MRSA §11051-C is enacted to read:

§11051-C. Assurance of discontinuance

If it is claimed that a person has engaged in conduct that could be subject to an order by the administrator or by a court, the administrator may accept an assurance in writing that the person will not engage in the same or in similar conduct in the future. Such an assurance may include any or any combination of the following: stipulations for the voluntary payment by the debt collector of the costs of investigation or of an amount to be held in escrow as restitution to debtors aggrieved by past or future conduct of the debt collector or to cover costs of future investigation; or admissions of past specific acts by the debt collector or that such acts violated this chapter or other statutes. A violation of an assurance of discontinuance is a violation of this chapter.

Sec. A-14. 33 MRSA §527, as amended by PL 2001, c. 44, §11 and affected by §14, is further amended to read:

§527. Enforcement

With respect to lenders that are supervised financial organizations as that term is defined in Title 9-A, section 1-301, subsection 38-A, a violation of this subchapter is deemed an anticompetitive and deceptive practice and the Superintendent of Financial Institutions may take appropriate action to ensure compliance with this subchapter. With respect to all other supervised lenders, as that term is defined in Title 9-A, section 1-301, subsection 39, the ~~Director of Consumer Credit Regulation~~ Superintendent of Consumer Credit Protection may take such action.

PART B

Sec. B-1. 9-A MRSA §6-105-A, as amended by PL 2011, c. 427, Pt. B, §§10 and 11, is further amended to read:

§6-105-A. Uniform multistate automated licensing system

For the purposes of participating in the establishment and implementation of a uniform multistate automated licensing system, referred to in this section as "the system," for loan brokers, supervised lenders that are not supervised financial organizations and individual mortgage loan originators thereof, or entities in other license categories processed by the system that are licensed or registered by the administrator, the administrator may undertake the following actions.

1. The administrator may establish new rules and procedures, consistent with the principles for operation and implementation established by the system, that are necessary for the State to participate in the system, including rules and procedures authorizing the system to collect license fees on behalf of the State and remit those fees to the State, authorizing collection fees by the system to pay for its services, authorizing the system to

process and maintain license records and authorizing use of the system's uniform forms, upon the ~~director's~~ administrator's finding that each new rule or procedure is consistent with the public interest and the purposes of this Act. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

2. The administrator may require a credit and background investigation of each applicant for a license as a loan broker, a supervised lender that is not a supervised financial organization or a mortgage loan originator thereof, or entity in another license category processed by the system that is licensed or registered by the administrator, by means including fingerprint checks for state and national criminal histories, commencing at the time the State joins the system pursuant to this section. The cost of the investigations must be charged to the applicants. Information obtained or held by the administrator pursuant to this subsection is nonpublic pursuant to section 6-116 and not subject to disclosure.

Any information provided by or to the administrator pursuant to this section that has been designated as confidential by another state's regulatory agency remains the property of the agency furnishing the information and must be kept confidential by the administrator and the system except as authorized by the agency that furnished the information.

Sec. B-2. 9-A MRSA §6-202, sub-§1, as amended by PL 2009, c. 228, §1, is further amended to read:

1. Persons subject to this Part shall file notification with the administrator before commencing business in this State, and, annually thereafter, on or before January 31st ~~of each year~~ or an alternate date established by the administrator. The notification filings must be made to the administrator and must be in a form and contain information that the administrator considers appropriate for the proper supervision and regulation of such persons.

PART C

Sec. C-1. 9-A MRSA §12-107, sub-§4, as enacted by PL 2007, c. 394, §1 and affected by §3, is repealed.

PART D

Sec. D-1. 9-A MRSA §2-302, sub-§1, as amended by PL 2017, c. 106, §5, is further amended to read:

1. The administrator shall receive and act on all applications for licenses to make or service supervised loans under this Act. Applications must be filed in the manner prescribed by the administrator and must contain the information required by the administrator to make an evaluation of the financial responsibility, character and fitness of the applicant.

~~A. For a lender subject to this subsection whose activities include making or arranging residential mortgage loans, an~~ The administrator may require an application for a license to make or service supervised loans must to be made electronically, through the nationwide mortgage licensing system and registry as defined in section 13-102, subsection 8. Licenses for which applications were made electronically through the nationwide mortgage licensing system and registry expire December 31st of each year and must be renewed through the nationwide mortgage licensing system and registry. An application for an initial license must be accompanied by a fee of \$250, and an

~~annual renewal application must be accompanied by a fee of \$100. An application for an initial license or renewal for a place of business other than that of the applicant's first licensed location must be accompanied by a fee of \$100. The administrator may establish, by rule, fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$1,000 and for a renewal may not exceed \$600 for any licensed location. Renewal applications received after the expiration date are subject to a late fee of \$100. An applicant who applies through the nationwide mortgage licensing system and registry must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. A Fees set by the administrator by rule for a nonprofit organization exempt from taxation under the United States Internal Revenue Code, Section 501(c)(3) and engaged in the financing of housing for low-income people under a program designed specifically for that purpose must pay an initial licensing fee, and a fee for each branch location, of \$20 and a renewal licensing fee and renewal fee for each branch location of \$10, may not exceed \$150 for an initial application and \$100 per year for a renewal for any licensed location, plus the applicable nationwide mortgage licensing system and registry processing fee.~~

~~B. For a lender subject to this subsection whose activities do not include making or arranging residential mortgage loans, an initial application for a license must be accompanied by a \$500 fee and a renewal application must include a \$200 fee. A license is granted for a 2-year period and expires on September 30th of the 2nd year. An application for an initial license or renewal for a place of business other than that of the applicant's first licensed location must be accompanied by a fee of \$200.~~

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-2. 9-A MRSA §10-201, as repealed and replaced by PL 2013, c. 466, §7, is amended to read:

§10-201. Licensing and biennial relicensing renewal licensing

A person desiring to engage or continue in business in this State as a loan broker shall apply to the administrator for a license under this Article as set forth in this section. The administrator may refuse the application if it contains erroneous or incomplete information. A license may not be issued unless the administrator, upon investigation, finds that the financial responsibility, character and fitness of the applicant and, when applicable, its partners, officers and directors and, when applicable, the character and fitness of its mortgage loan originators; warrant belief that the business will be operated honestly and fairly within the purposes of this Title.

~~**1. Loan broker whose activities include arranging for or obtaining an extension of credit for a residential mortgage loan.** A loan broker subject to this section whose activities include arranging for or obtaining an extension of credit for a residential mortgage loan must apply for a license electronically through the nationwide mortgage licensing system and registry. The initial application must include a fee of \$300 and a renewal application must include a fee of \$150. An application for a branch location license for a location other than that of the first licensed location from which the applicant conducts business or from which the applicant conducts business under a different name than that listed on the first license must be accompanied by a license fee of \$150 and an annual~~

renewal fee of \$75. The applicant must also pay such nationwide mortgage licensing system and registry processing fees as are established by the nationwide mortgage licensing system and registry. A license expires on December 31st of each year and must be renewed through the nationwide mortgage licensing system and registry. Notwithstanding other remedies available under this Title, an application received after the due date is subject to an additional fee of \$100. A licensed loan broker subject to this subsection may conduct business only through a mortgage loan originator who possesses a current, valid license.

~~**2. Loan broker whose activities do not include arranging for or obtaining an extension of credit for a residential mortgage loan.**~~ The initial application for a license as a loan broker subject to this section whose activities do not include arranging for or obtaining an extension of credit for a residential mortgage loan must be made directly to the administrator. Initial licenses are granted for a period not to exceed 2 years and expire January 31st. The initial application must include a fee of \$600, and a biennial relicensing application must include a fee of \$300. An application for a branch location license for a location other than that of the first licensed location from which the applicant conducts business or from which the applicant conducts business under a different name than that listed on the first license must be accompanied by a license fee of \$300 and a biennial renewal fee of \$150. Notwithstanding other remedies available under this Title, applications received after the due date are subject to an additional fee of \$100.

3. Nationwide mortgage licensing system and registry. The administrator may require licensing of loan brokers subject to this section through the nationwide mortgage licensing system and registry as defined in section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

4. Fees and requirements. In all cases, whether licensing of loan brokers subject to this section is through the nationwide mortgage licensing system and registry as defined in section 13-102, subsection 8 or otherwise, the administrator may establish, by rule, requirements for licensing, including but not limited to:

A. Background checks for:

- (1) Criminal history through fingerprint or other databases;
- (2) Civil or administrative records;
- (3) Credit history; or
- (4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$1,000 and for a yearly renewal may not exceed \$600. If licensing is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a license or any other such activities as the administrator considers necessary.

A licensed loan broker whose activities include arranging for or obtaining an extension of credit for a residential mortgage loan may conduct business only through a mortgage loan originator who possesses a current, valid license.

The administrator may direct each licensee to file composite annual and quarterly reports relating to all brokered loans arranged or obtained by that licensee. Information contained in annual and quarterly reports is confidential and may be published only in composite form. The administrator may at any time require additional reports if the administrator determines such action necessary to the proper supervision of licensees.

Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-3. 9-A MRSA §12-106, sub-§2, as enacted by PL 2007, c. 394, §1 and affected by §3, is amended to read:

2. Registration must be filed in the manner prescribed by the administrator and must contain the information the administrator requires to make an evaluation of the character, fitness and financial responsibility of the applicant. ~~The initial application must be accompanied by a \$500 fee. A renewal registration must include a \$200 fee. A registration must be renewed every 2 years and expires on September 30th.~~ The administrator may require registration through the nationwide mortgage licensing system and registry as defined in section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether registration is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for registration, including but not limited to:

A. Background checks for:

- (1) Criminal history through fingerprint or other databases;
- (2) Civil or administrative records;
- (3) Credit history; or
- (4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew registrations, except that the fee for an initial application may not exceed \$800 and for a renewal may not exceed \$500. If registration is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a registration or any other such activities as the administrator considers necessary.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-4. 10 MRSA §1310-A, sub-§1, ¶G, as enacted by PL 2013, c. 228, §1, is repealed and the following enacted in its place:

G. Require registration of consumer reporting agencies located in this State or serving users within this State through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether licensing is through the nationwide mortgage licensing system and registry, as defined in Title 9-A, section 13-102, subsection 8, or otherwise, the administrator may establish, by rule, requirements for registration, including but not limited to:

(1) Background checks for:

(a) Criminal history through fingerprint or other databases;

(b) Civil or administrative records;

(c) Credit history; or

(d) Any other information determined necessary by the nationwide mortgage licensing system and registry;

(2) The payment of fees to apply for or renew registrations, except that the fee for an initial application may not exceed \$500 and for a renewal may not exceed \$500. If licensing is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

(3) The setting or resetting as necessary of renewal or reporting dates; and

(4) Other requirements for application for, amendment of or revocation of a registration or any other such activities as the administrator considers necessary.

Rules adopted pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-5. 10 MRSA §1396, sub-§2, as enacted by PL 2009, c. 61, §1, is amended to read:

2. Issuance of license; requirements; fees. An application for a license as an exchange facilitator must be in writing and filed with the administrator in the manner and form prescribed by the administrator. ~~The administrator shall set an application fee for a primary office not to exceed \$350 and for any branch offices not to exceed \$200. All funds received by the administrator under this chapter are appropriated for the use of the administrator.~~ The administrator may require licensing through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether licensing is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for licensing, including but not limited to:

A. Background checks for:

- (1) Criminal history through fingerprint or other databases;
- (2) Civil or administrative records;
- (3) Credit history; or
- (4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$600 and for a renewal may not exceed \$500. If licensing is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a license or any other such activities as the administrator considers necessary.

All funds received by the administrator under this chapter are appropriated for the use of the administrator, and any balance of the funds does not lapse but must be carried forward to be expended for the same purposes in the following fiscal year.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-6. 10 MRSA §1396, sub-§3, as enacted by PL 2009, c. 61, §1, is repealed.

Sec. D-7. 10 MRSA §1400-B, sub-§1, as enacted by PL 2009, c. 61, §2, is amended to read:

1. Registration. A person may not directly or indirectly engage in or carry on, or purport to engage in or carry on, the business of, or act in the capacity of, a settlement agency in this State without first registering with the administrator in accordance with this chapter. The registration must be in a manner and form prescribed by the administrator. ~~The administrator shall set a registration fee for a primary office or a branch office not to exceed \$25. All funds received by the administrator under this chapter are appropriated for the use of the administrator.~~ The administrator may require registration through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether registration is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for registration, including but not limited to:

A. Background checks for:

- (1) Criminal history through fingerprint or other databases;
- (2) Civil or administrative records;
- (3) Credit history; or

(4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew registrations, except that the fee for an initial application may not exceed \$300 and for a renewal may not exceed \$300. If registration is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a registration or any other such activities as the administrator considers necessary.

All funds received by the administrator under this chapter are appropriated for the use of the administrator, and any balance of the funds does not lapse but must be carried forward to be expended for the same purposes in the following fiscal year.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-8. 10 MRSA §1400-B, sub-§3, as enacted by PL 2009, c. 61, §2, is amended to read:

3. Renewal. On or before April 30th of each year, a settlement agency registered under this chapter shall pay an annual renewal fee ~~of \$25~~ as determined pursuant to subsection 1 and shall file with the administrator a renewal form containing such information as the administrator may require.

Sec. D-9. 10 MRSA §1495-D, sub-§1-A is enacted to read:

1-A. License requirements; fees. The administrator may require licensing under this section through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether licensing is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for licensing, including but not limited to:

A. Background checks for:

(1) Criminal history through fingerprint or other databases;

(2) Civil or administrative records;

(3) Credit history; or

(4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$1,200 and for a renewal may not exceed \$1,200. If licensing is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry

processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a license or any other such activities as the administrator considers necessary.

The aggregate of license fees and other fees and assessments provided for by this chapter is appropriated for the use of the administrator. Any balance of these funds does not lapse but must be carried forward to be expended for the same purpose in the following fiscal year.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-10. 10 MRSA §1495-D, sub-§4, as repealed and replaced by PL 2011, c. 308, §5, is repealed.

Sec. D-11. 10 MRSA §1500-H, sub-§6, as repealed and replaced by PL 2017, c. 475, Pt. A, §13, is amended to read:

6. Enforcement. ~~The superintendent may require the filing of notification by an administrator pursuant to Title 9-A, section 6-202 and section 6-203, subsection 1. The superintendent may require the filing of waivers in use by an administrator. Upon request by the superintendent, an administrator shall annually file a record of waivers administered by the administrator.~~

The superintendent may take action that is necessary or appropriate to enforce the provisions of this chapter and to protect borrowers who hold waivers in this State. In cases in which a credit union or financial institution authorized to do business in this State, as defined in Title 9-B, section 131, subsections 12-A and 17-A, is a creditor, the Superintendent of Financial Institutions is responsible for enforcement. After notice and opportunity for hearing, the superintendent may:

A. Order the creditor, administrator or any other person not in compliance with this chapter to cease and desist from further waiver-related operations that are in violation of this chapter; and

B. Impose a penalty of not more than \$500 per violation and not more than \$10,000 in the aggregate for all violations of a similar nature. For purposes of this paragraph, violations must be considered of a similar nature if the violations consist of the same or a similar course of conduct, action or practice, irrespective of the number of times the conduct, action or practice that is determined to be a violation of this chapter occurred.

Sec. D-12. 10 MRSA §1500-H, sub-§6-A is enacted to read:

6-A. Registration; fees. The superintendent may require registration of an administrator that may include use of the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether registration is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for registration, including but not limited to:

A. Background checks for:

(1) Criminal history through fingerprint or other databases;

(2) Civil or administrative records;

(3) Credit history; or

(4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew registrations, except that the fee for an initial application may not exceed \$300 and for a renewal may not exceed \$300. If registration is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a registration or any other such activities as the administrator considers necessary.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-13. 10 MRSA §1500-H, sub-§7, ¶B, as repealed and replaced by PL 2017, c. 475, Pt. A, §13, is amended to read:

B. Subsection 2, paragraph C and subsections 4 ~~and~~, 6 ~~and~~ 6-A are not applicable to a waiver offered in connection with a retail installment sale associated with a commercial transaction.

Sec. D-14. 32 MRSA §6103, sub-§3 is enacted to read:

3. Nationwide mortgage licensing system and registry. The administrator may require licensing under this section through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

Sec. D-15. 32 MRSA §6103, sub-§4 is enacted to read:

4. License requirements; fees. In all cases, whether licensing is through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8 or otherwise, the administrator may establish, by rule, requirements for licensing under this section, including but not limited to:

A. Background checks for:

(1) Criminal history through fingerprint or other databases;

(2) Civil or administrative records;

(3) Credit history; or

(4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$1,200 and for a renewal may not exceed \$1,000. If licensing is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a license or any other such activities as the administrator considers necessary.

In addition, the application or renewal application must be accompanied by a registration fee of \$50 for each authorized delegate designated by the licensee, up to a maximum of \$2,500.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-16. 32 MRSA §6108, as enacted by PL 1997, c. 155, Pt. A, §2, is repealed.

Sec. D-17. 32 MRSA §6110, sub-§1, as enacted by PL 1997, c. 155, Pt. A, §2, is repealed.

Sec. D-18. 32 MRSA §6110, sub-§2, as enacted by PL 1997, c. 155, Pt. A, §2, is amended to read:

2. Annual Renewal fee; annual report. The renewal fee established pursuant to section 6103, subsection 4 must be accompanied by a report in a form prescribed by the administrator. The form must be sent by the administrator to each licensee no later than 3 months immediately preceding the date established by the administrator for license renewal. The licensee must include the following in its annual renewal report:

A. A copy of its most recent audited annual financial statement, including balance sheet, statement of income or loss, statement of changes in shareholder's equity and statement of changes in financial position. With the approval of the administrator, in the case of a licensee that is a wholly owned subsidiary of another corporation, the consolidated audited annual financial statement of the parent corporation may be filed in lieu of the licensee's audited annual financial statement;

B. For the most recent quarter for which data are available prior to the date of the filing of the renewal application, but in no event more than 120 days prior to the renewal date, the number of payment instruments sold by the licensee in the State, the dollar amount of those instruments and the dollar amount of those instruments currently outstanding;

C. Any material changes to any of the information submitted by the licensee on its original application that have not previously been reported to the administrator on any other report required to be filed under this subchapter; and

D. A list of the locations within this State at which business regulated by this subchapter is being conducted by either the licensee or its authorized delegate.

The administrator is authorized, for good cause shown, to waive any requirement of this subsection with respect to any renewal application or to permit a renewal applicant to submit substituted information in its renewal application in lieu of the information required by this subsection.

Sec. D-19. 32 MRSA §6110, sub-§3, as enacted by PL 1997, c. 155, Pt. A, §2, is amended to read:

3. Suspension. A licensee that has not filed a renewal report or paid its renewal fee established pursuant to section 6103, subsection 4 by the renewal filing deadline and has not been granted an extension of time to do so by the administrator must be notified by the administrator, in writing, that its license is suspended. At the licensee's request, the suspension may be stayed, and a hearing will be scheduled, at which time the licensee will be required to show cause why its license should not be suspended pending compliance with these requirements.

Sec. D-20. 32 MRSA §6133, sub-§2, as enacted by PL 1997, c. 155, Pt. A, §2, is amended to read:

2. Additional locations. A registrant may conduct its business in this State at one or more locations, directly or indirectly owned, or through one or more authorized delegates, subject to the ~~additional~~ requirements set forth in this section 6137.

Sec. D-21. 32 MRSA §6133, sub-§3 is enacted to read:

3. Nationwide mortgage licensing system and registry. The administrator may require registration under this section through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

Sec. D-22. 32 MRSA §6133, sub-§4 is enacted to read:

4. Registration requirements; fees. In all cases, whether registration is through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8 or otherwise, the administrator may establish, by rule, requirements for registration under this section, including but not limited to:

A. Background checks for:

(1) Criminal history through fingerprint or other databases;

(2) Civil or administrative records;

(3) Credit history; or

(4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew registrations, including for locations other than the applicant's main office location, except that the fee for an initial application may not exceed \$500 and for a renewal may not exceed \$500. If registration is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an

amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a registration or any other such activities as the administrator considers necessary.

The aggregate of all fees, including those provided for by this section and in section 6140, is appropriated for the use of the administrator. Any balance of the funds does not lapse but must be carried forward to be expended for the same purposes in the following fiscal year.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-23. 32 MRSA §6137, as enacted by PL 1997, c. 155, Pt. A, §2, is repealed.

Sec. D-24. 32 MRSA §6173, as amended by PL 2009, c. 243, §4, is further amended to read:

§6173. Registration and annual reregistration

2. Registration and reregistration. An organization desiring to act, or continue to act, as a debt management service provider shall apply to the administrator for registration or reregistration in accordance with this chapter. The application must be in a form prescribed by the administrator. The administrator may refuse the application if it contains erroneous or incomplete information. A registration may not be issued unless the administrator, upon investigation, finds that the financial soundness and responsibility, insurance coverage, consumer education programs and services component, character and fitness of the applicant and, when applicable, its partners, officers or directors, warrant belief that the business will be operated honestly and fairly within the purposes of this chapter. ~~The initial application for registration may be filed at any time and must include a fee of \$500. A registration or reregistration under this chapter expires on December 31st of the year approved. An annual reregistration application must be filed by December 1st of each year for the following year and must include a fee of \$250.~~

2-A. Separate registration required. A separate registration is required for each place of business. ~~An application fee of \$250 must accompany an application for registration for a place of business other than that of the first registered location of the registrant.~~

2-B. Registration requirements; fees. The administrator may require registration under this section through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether registration is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for registration, including but not limited to:

A. Background checks for:

- (1) Criminal history through fingerprint or other databases;
- (2) Civil or administrative records;

(3) Credit history; or

(4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for registrations or reregistrations, except that the fee for an initial application may not exceed \$800 and for a reregistration may not exceed \$600. If registration is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Reregistration applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of reregistration or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a registration or any other such activities as the administrator considers necessary.

3. Action on registration application. The administrator shall take action on an application within 30 days after the administrator has accepted the application as complete. Upon written request, the applicant is entitled to a hearing on the question of the applicant's qualifications for registration if the administrator has notified the applicant in writing that the application has been denied or the administrator has not issued a registration within 30 days after the application for the registration was accepted as complete by the administrator. A request for a hearing may not be made more than 60 days after the application was accepted as complete or the administrator has mailed a written notice to the applicant stating that the application has been denied and stating the reasons for the denial of the application.

Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-25. 32 MRSA §6193, as enacted by PL 2007, c. 596, §1, is amended to read:

§6193. License required; license requirements; fees

A foreclosure purchaser may not engage in the business of foreclosure purchasing in this State without first obtaining a license from the administrator, except that a supervised financial organization as defined in Title 9-A, section 1-301, subsection 38-A is not required to be licensed. ~~The requirements for obtaining a license under this chapter must be substantially similar to the requirements for a supervised lender license as provided in Title 9-A, section 2-301. The administrator may require licensing through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8 and referred to in this section as "the nationwide mortgage licensing system and registry."~~ The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether licensing is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule or order, requirements for licensing, including but not limited to:

1. Background checks. Background checks for:

A. Criminal history through fingerprint or other databases;

B. Civil or administrative records;

C. Credit history; or

D. Any other information determined necessary by the nationwide mortgage licensing system and registry;

2. Fees. The payment of fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$1,000 and for a renewal may not exceed \$600. If licensing is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

3. Dates. The setting or resetting as necessary of renewal or reporting dates; and

4. Other requirements. Other requirements for application for, amendment of or revocation of a license or any other such activities as the administrator considers necessary.

Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-26. 32 MRSA §11031, sub-§2, as amended by PL 2009, c. 243, §6, is further amended to read:

2. Licenses. Licenses granted by the superintendent under this section are for a period of 2 years and expire on July 31st or at such other times as the superintendent may designate. Each license may be renewed biennially as long as the superintendent regards the business as responsible and safe, but in all cases terminate unless renewed by the expiration date. Each license must plainly state the name and business address of the licensee and be posted in a conspicuous place in the office where the business is transacted. The fee for each biennial license is \$600. When the unexpired license term of an applicant is or will be less than one year at a time of licensure, the license fee may not exceed 1/2 the biennial license fee. The superintendent may permit affiliated companies to be under a single license and subject to a single examination as long as all of the affiliated company names are listed on the license. The superintendent may adopt rules to determine what constitutes an affiliated company. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. If a licensee desires to carry on business in more than one place, the licensee shall procure a branch office license for each additional place where the business is to be conducted. The fee for each biennial branch office license is \$300. Notwithstanding other remedies available under this chapter, applications received after the due date are subject to an additional fee of \$100. The administrator may require licensing through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The administrator is authorized to participate in the nationwide mortgage licensing system and registry.

In all cases, whether licensing is through the nationwide mortgage licensing system and registry or otherwise, the administrator may establish, by rule, requirements for licensing, including but not limited to:

A. Background checks for:

(1) Criminal history through fingerprint or other databases;

- (2) Civil or administrative records;
- (3) Credit history; or
- (4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$800 and for a renewal may not exceed \$500. If licensing is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a license or any other such activities as the administrator considers necessary.

Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. D-27. 32 MRSA §14053, as amended by PL 1997, c. 29, §1, is further amended to read:

§14053. Registration process requirements

1. Statement. Except as otherwise provided in this section, each employee leasing company required to be registered under section 14052 shall provide the superintendent with information required by the superintendent on forms that the superintendent specifies. ~~At a minimum, employee leasing companies shall provide the following information: The superintendent may require registration through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8. The superintendent is authorized to participate in the nationwide mortgage licensing system and registry.~~

The superintendent shall, at a minimum, require employee leasing companies to provide the following information:

- A. The name or names under which the registrant conducts business;
- B. The address of the principal place of business of the employee leasing company and the address of each office it maintains in this State;
- C. The employee leasing company's taxpayer or employer identification number;
- D. A list by jurisdiction of each name under which the employee leasing company has operated in the preceding 5 years, including any alternative names, names of predecessors and, if known, successor business entities;
- E. A list of all persons or entities that own a 5% or greater interest in the employee leasing company at the time of application and a list of persons who formerly owned a 5% or greater interest in the employee leasing company or its predecessors in the preceding 5 years; and
- F. A list of the cancellations or nonrenewals of workers' compensation insurance issued to the employee leasing company or its predecessors in the preceding 5 years.

The list must include the policy or certificate numbers, names of insurers or other providers of coverage, dates of cancellation and reasons for cancellation. If coverage has not been canceled or has been renewed, the registration must include a sworn affidavit signed by the chief executive officer of the employee leasing company attesting to that fact.

1-A. Registration process authorized. In all cases, whether registration is through the nationwide mortgage licensing system and registry as defined in Title 9-A, section 13-102, subsection 8 or otherwise, the superintendent may establish, by rule, requirements for registration, including but not limited to:

A. Background checks for:

(1) Criminal history through fingerprint or other databases;

(2) Civil or administrative records;

(3) Credit history; or

(4) Any other information determined necessary by the nationwide mortgage licensing system and registry;

B. The payment of fees to apply for or renew registrations, except that the fee for an initial application may not exceed \$1,000 and for a renewal may not exceed \$500. If registration is through the nationwide mortgage licensing system and registry, an applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. Renewal applications received after the due date are subject to an additional fee of \$100;

C. The setting or resetting as necessary of any renewal or reporting dates; and

D. Other requirements for application for, amendment of or revocation of a registration or any other such activities as the superintendent considers necessary.

Fees provided for by this chapter are appropriated for the use of the Bureau of Consumer Credit Protection. Any balance of these funds does not lapse but must be carried forward to be expended for the same purpose in the following year.

~~2. **Renewal.** Prior to January 31st of each year or any other time fixed by the superintendent, each registrant shall renew its registration by notifying the superintendent of any changes in the information previously provided pursuant to this section.~~

~~3. **List.** The superintendent shall maintain a list of employee leasing companies registered under this chapter.~~

~~4. **Forms.** The superintendent may prescribe forms necessary to promote the efficient administration of this section.~~

~~Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.~~

Sec. D-28. 32 MRSA §14054, as amended by PL 2013, c. 257, §2, is repealed.

PART E

Sec. E-1. 32 MRSA §11013, sub-§11 is enacted to read:

11. Collection action prohibited on debt from medical expenses if eligible for free or charity care. If a debt collector has been notified, orally or in writing, by a creditor or the consumer of the consumer's actual or potential qualification for free or charity care under guidelines adopted pursuant to Title 22, section 1716, a debt collector may not collect or attempt to collect a debt for medical expenses against a consumer who has been determined to be qualified for free or charity care under guidelines adopted pursuant to Title 22, section 1716 or against a consumer who would have been determined to be qualified for free or charity care under guidelines adopted pursuant to Title 22, section 1716 but did not apply for good cause. If the notification is provided to a debt collector, the debt collector shall suspend collection efforts until the creditor has notified the debt collector and the consumer that the consumer is not qualified for free or charity care and, in that case, the debt collector may renew debt collection efforts.

PART F

Sec. F-1. 32 MRSA §11019, sub-§1, as enacted by PL 2017, c. 216, §6, is amended to read:

1. Complaint; required allegations. A debt buyer may not initiate a collection action against a consumer, ~~including an action brought in small claims court pursuant to Title 14, chapter 738,~~ unless the debt buyer alleges all of the following information in the complaint:

- A. The information described in section 11013, subsection 9, including that the debt buyer possesses the documentation described in section 11013, subsection 9;
- B. The basis for any interest and fees described in section 11013, subsection 9;
- C. The basis for the request for attorney's fees, if applicable;
- D. That the debt buyer is the current owner of the debt; and
- E. That the cause of action is filed within the applicable statute of limitations period.

Sec. F-2. 32 MRSA §11020 is enacted to read:

§11020. Collection action to collect credit card and student loan debts; additional requirements for collection action

1. Applicability. This section applies to any collection action against a consumer to collect a credit card or student loan debt initiated by a debt collector.

2. Commencement of collection action. A collection action may not be commenced in small claims court pursuant to Title 14, chapter 738. A collection action is commenced upon the filing or serving of a complaint that provides notice of the complaint in the same manner as other civil complaints and satisfies the requirements of this section.

3. Notice of complaint. In a collection action subject to this section, the debt collector shall attach to the front of the complaint a one-page form notice to the consumer as developed by the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection. The form notice must be written in language that is plain and readily understandable by the general public and, at a minimum, must contain the following:

- A. A statement that failure to answer the complaint may result in entry of judgment in the amount demanded by the debt collector; and

B. A sample answer and an explanation that the consumer may fill out the form and return it to the court as the answer to the complaint. If the consumer returns the form to the court, the consumer does not need to file a more formal answer or responsive pleading.

4. **Entry of judgment.** A court may not enter judgment unless it specifically finds that all the requirements of this section and all other applicable requirements of this chapter are met, including, but not limited to, whether the plaintiff has produced evidence that is admissible pursuant to the Maine Rules of Evidence on all required elements of its claim.

5. **Default judgment.** If the defendant has failed to plead or otherwise defend, the plaintiff may apply for entry of default and a default judgment. The judge overseeing the action is responsible for entering a default and a default judgment, not the clerk of the court. Regardless of whether the defendant appears in the action or the judgment is based on a proposed order concerning a settlement, the court may not enter judgment in favor of the plaintiff unless the court determines that all the requirements of this section and all other applicable requirements of this chapter are met, including, but not limited to, whether the plaintiff has produced evidence admissible pursuant to the Maine Rules of Evidence on all required elements of its claim.

6. **Exclusion.** This section does not apply to any collection action brought by a supervised financial organization as defined in Title 9-A, section 1-301, subsection 38-A.

7. **Rules.** The Supreme Judicial Court may adopt rules necessary to implement the provisions of this section.

Sec. F-3. 32 MRSA §11021 is enacted to read:

§11021. Collection actions prohibited in small claims court

A debt collector may not commence a collection action against a consumer to collect a debt in small claims court pursuant to Title 14, chapter 738.

PART G

Sec. G-1. 4 MRSA §18-B, sub-§7, as enacted by PL 1995, c. 560, Pt. I, §3, is amended to read:

7. **Fees Authority and fees.** ~~When~~ A court may refer cases to the Court Alternative Dispute Resolution Service for mediation and, when a court refers parties case types or individual cases to the Court Alternative Dispute Resolution Service for mediation, the court shall assess the parties a fee to be apportioned equally among the parties, unless the court otherwise directs. The fee must be deposited in the dedicated account created in subsection 8.

A party may file an in forma pauperis application for waiver of fee. If the court finds that the party does not have sufficient funds to pay the fee, it shall order the fee waived.