



132nd MAINE LEGISLATURE

LD 1208

LR 1616(01)

An Act to Amend the Statutory Balance Limit on the Finance Authority of Maine's Loan Insurance Reserves for General Fund Transfers

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Curry of Waldo

Committee: Housing and Economic Development

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Increased funding - Loan Insurance Reserve

Fiscal Detail and Notes

Current law provides that the State Controller transfer, at the close of each fiscal year, up to \$1,000,000 from the unappropriated surplus of the General Fund to the Loan Insurance Reserve within the Finance Authority of Maine (FAME) until the combined balance of the Loan Insurance Reserve and the Mortgage Insurance Fund, also within FAME, reaches \$50,000,000. This transfer is the 2nd priority in the so-called "cascade" after transfers to replenish the State Contingent Account pursuant to 5 MRSA §1507 are made.

This bill proposes to increase the cap on the amount of funds that FAME may have in its combined Loan Insurance Reserve and Mortgage Insurance Fund from \$50,000,000 to \$65,000,000, thus continuing the \$1,000,000 transfer to the Loan Insurance Reserve until the new cap is reached. Extending the annual \$1,000,000 transfer will reduce the amount available for other statutory priorities of the cascade that fall after the Loan Insurance Reserve.