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## Capitol Report

### Maine Bankers Association

March 4, 2021

### **News from Washington (Legislative & Regulatory)**

**The Federal Reserve Beige Book Released Based on Information Collected Through February 22nd.** The Boston Economic Activity Summary states, “Economic activity was decidedly mixed in the First District, with moderate growth on balance. Manufacturers reported strong to very strong results, while restaurants and hotels experienced very weak demand. Retail sales were robust across a variety of outlets, and auto sales made a sharp rebound in late 2020. Performance at staffing firms was mixed but most saw growth that exceeded expectations. The commercial real estate market was split between very strong activity for industrial and laboratory space and sluggish to very weak demand for office, retail, and hotel properties. Residential real estate sales and prices continued to climb but low inventories remained a problem. The outlook took a more optimistic turn among many contacts in response to the vaccine rollout and the pending arrival of warmer weather.” Click here for more information.

### **State News**

**The Health Coverage, Insurance and Financial Services Committee (HCIFS) Voted Not to Move Forward with LD [300](#) Relating to Fees Charged During Temporary Branch Closings.** The HCIFS voted unanimously ought-not-to-pass on LD 300.

**HCIFS Voted Not to Move Forward with LD [160](#), the Debit and Credit Card Surcharge Bill.** This bill would have allowed certain insurance producers to pass along debit and credit card surcharges to their customers. MBA sent a letter of concern to the Committee regarding this bill. We stated in our letter that any specific carveout of the surcharge prohibition for one private industry's benefit would precipitate carve-out requests from other sectors that would result in diluting Maine's longstanding consumer protection against these surcharges.

**MBA Testified in Opposition to CPACE (LD [340](#)).** Our testimony acknowledged the climate challenges facing our state and MBA's willingness to continue to work with policymakers and other interested parties to move Maine forward in transitioning to a lower-carbon economy. However, we clarified for the Committee that a successful rollout of CPACE in Maine will require commercial mortgage holders to agree to subordinate their debt to the CPACE loan. Many lenders are not willing to subordinate because of Maine's municipal foreclosure laws. We explained that mitigating the risk of

a CPACE loan could be achieved by modifying Maine's current municipal foreclosure law to allow for the disbursement of excess funds obtained during the foreclosure property sale or establishing a reserve fund like other state funds.

**Governor Mills Delivered Her Budget Address on February 23rd.** The Governor's press office stated, "The Governor underscored the importance of her Administration's focus on health care, education, and the economy, highlighting proposed investments in Maine's public health infrastructure and education funding to support Maine children. She rejected calls for sweeping budget cuts or efforts to reach into the State's savings." Click [here](#) to read the Governor's full address.

**Bills of Interest Printed Since Last Report.** The bill descriptions include the Maine Office of Policy and Legal Analysis (OPLA) Summary.

#### Human Resources

LD [553](#) *An Act To End At-will Employment.* OPLA SUMMARY: This bill prohibits an employer from terminating the employment of an employee without cause. The bill specifies that an employer may terminate an employee for cause only after applying a 3-step progressive discipline policy and providing notice of termination in accordance with certain requirements. The bill also eliminates references to at-will employment in current law.

LD [607](#) *An Act To Restore Overtime Protections for Maine Workers.* OPLA SUMMARY: This bill annually raises the minimum salary that an employee who works in an executive, administrative or professional capacity must earn in order for that employee to be exempt from the laws governing the minimum wage and overtime pay until it is \$55,224 on January 1, 2024. The bill provides for an annual adjustment, beginning January 1, 2025, based on the percentage annual increase in certain earnings as published by the United States Department of Labor, Bureau of Labor Statistics.

#### Taxation

LD [495](#) *An Act To Improve Income Tax Progressivity by Establishing New Top Individual Income Tax Rates.* OPLA SUMMARY: This bill increases the tax rate on the current top bracket under the individual income tax from 7.15% to 8.35% and adds a new bracket of 11.15% on taxable income exceeding \$100,000 for single individuals and married persons filing separately, \$150,000 for heads of household and \$200,000 for individuals filing married joint returns or surviving spouses.

LD [498](#) *An Act To Reauthorize a 3 Percent Tax on Income over \$200,000 To Lift All Maine Workers out of Poverty.* OPLA SUMMARY: This bill imposes an income tax surcharge on taxable income exceeding \$200,000 and increases the Maine earned income tax credit to equal the federal earned income tax credit.

**Maine COVID-19 Statistics.** Members have requested that we provide the current COVID-19 numbers reported by the State with the publication of each Capitol Report.

Total Cases: 45,227  
Confirmed Cases: 35,507  
Probable Cases: 9,720  
Deaths: 705  
Hospitalizations: 1,549  
Currently Hospitalized: 69

### Vaccine Stats

[State of Maine COVID-19 Vaccination Dashboard](#) (updated daily by 10 AM to include the previous day's data)



A Division of Bankers Alliance

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## Compliance Alliance Feature Question

**Question:** In determining whether the bank reports a HELOC for HMDA purposes, does the bank need to consider denied, withdrawn and approved but not accepted HELOCs into the threshold of 200?

**Answer:** The count is based on the number of open-end lines of credit that the bank has originated.

*Reference: Section 1003.3(c)(12) provides that an open-end line of credit is an excluded transaction if a financial institution originated fewer than 500 open-end lines of credit in either of the two preceding calendar years.*

*Comment 1 to § 1003.3(C)(12): <https://www.consumerfinance.gov/rules-policy/regulations/1003/3/#3-c-12-Interp-1>*

**Not a member? Learn more about membership with Compliance Alliance by attending one of our live demos:**

- [Live Demo on Tuesday, March 9th, @ 11:00 am](#)
- [Live Demo on Thursday, March 11th, @ 2:00 pm](#)

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