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DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF CONSUMER CREDIT PROTECTION

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**INTERPRETIVE LETTER RE: “CONVENTIONAL MORTGAGE RATE”
DEFINITION IN 9-A M.R.S. § 8-506(1)(D)**

This interpretive letter rescinds and replaces the Bureau’s September 3, 2024, interpretive letter on the same subject

The Maine Consumer Credit Code (Title 9-A M.R.S.) uses the term “conventional mortgage rate” (“CMR”) in the “Maine Truth in Lending Act” (9-A M.R.S. Article 8-A) to determine whether certain discount points can be defined as “excluded points and fees” to qualify as “bona fide discount points,” and to define the term “conventional prepayment penalty.”

9-A M.R.S. § 8-506(1)(D) states: “‘Conventional mortgage rate’ means the most recently published annual yield on conventional mortgages published by the Board of Governors of the Federal Reserve System, as published in statistical release H.15 or any superseding publication, as of the applicable time set forth in 12 Code of Federal Regulations, Section 1026.32(a)(1)(i).”

On September 26, 2016, the Board of Governors of the Federal Reserve System (“Fed”) announced that they would cease the publication of certain interest rates including the CMR in their future H.15 statistical releases. The Fed announcement stated that the CMR was not produced by the Fed but that it was available from its original source. The original source of the Fed’s CMR was the Primary Mortgage Market Survey (“PMMS”) as published weekly by the Federal Home Loan Mortgage Corporation (“Freddie Mac”).

Freddie Mac publishes the PMMS every Thursday at 10 a.m. ET. Freddie Mac also publishes an Excel spreadsheet of “current mortgage rates data since 1971” on the same page of their website. Both the most current rate and the historical rate data may be found at <https://www.freddiemac.com/pmms>.

The Maine Bureau of Consumer Credit Protection will use the 30-year fixed-rate mortgage (“30-Yr FRM”) as published in the weekly PMMS as a substitute for the discontinued Fed CMR in interpretation and enforcement of 9-A M.R.S. Article 8-A. The appropriate date for determination of “the most recently published annual yield on conventional mortgages” will be the weekly PMMS 30-Yr FRM rate that is in effect on the last date the interest rate is set prior to closing.

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