

BUREAU OF FINANCIAL INSTITUTIONS  
Department of Professional and Financial Regulation  
State of Maine  
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**Bulletin #76**  
**Interest on Escrow Accounts**

To the CEO Addressed:

The Bureau of Financial Institutions is amending Bulletin #76 as a result of an amendment to 9-B M.R.S. § 429, as enacted by P.L. 2021 c. 508 (emergency, effective March 16, 2022) that changed the benchmark escrow rate from a 1-year Treasury Note rate to a 1-year Treasury Bill secondary market rate. Mortgagees should use the new benchmark beginning in calendar year 2023.

The statute requires interest to be paid on escrow accounts held for loans secured by mortgages on owner-occupied residential property, and that the mortgagee pay interest on a mandatory escrow account of not less than "50% of the 1-year Treasury Bill secondary market rate or rate of a comparable instrument if the 1-year Treasury Bill is not offered, as published electronically by the Federal Reserve System or in a financial newspaper of national circulation, as of the first business day of the year in which the quarterly interest or dividend is paid. The dividends or interest paid under this subsection may not be reduced by any charge for service or maintenance of the account."

The 1-year Treasury Bill rate (secondary market) as of the first business day of the calendar year is reported by the Federal Reserve System on its website at: <https://www.federalreserve.gov/releases/h15/>.

That index value will also be posted annually on the Bureau of Financial Institution's website each January at: <https://www.maine.gov/pfr/financialinstitutions/>.

If you have any questions regarding this Bulletin, please contact the Bureau. This Bulletin replaces Bulletin # 76, issued January 4, 2008

/S/ Lloyd P. LaFountain, III  
Superintendent

**NOTE: This bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties or privileges nor is it intended to provide legal advice. Readers are encouraged to consult applicable statutes and regulations and to contact the Bureau of Financial Institutions if additional information is needed.**