

MAINE STATE LEGISLATURE

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ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 1494

Committee Amendment "A" to S. P. 404, L. D. 1386, Bill, "An Act Revising the Savings and Loan Laws."

Presented by Committee on Business Legislation.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

Amend said Bill in Sec. 157-D by striking out all of the 4th sentence thereof.

Further amend said Bill in Sec. 157-D by striking out the last 2 sentences and inserting in place thereof the following underlined sentence: **'This section shall not apply to branches or agencies authorized and in existence on the effective date of this act.'**

Further amend said Bill in Sec. 157-F by adding at the end the following underlined sentence: **'Any branch or agency may be closed or discontinued after such public notice, as in the judgment of the commissioner, the public interest may require.'**

Further amend said Bill in Sec. 157-I, subsection IX, by striking out the last sentence and inserting in place thereof the following underlined sentence: **'No association, without the written consent of the commissioner, shall borrow any sum or sums the aggregate of which would exceed 25% of its total assets.'**

Further amend said Bill in Sec. 157-I, subsection XIII, by inserting after the underlined word "**dependents**" in the 3rd line the underlined word **'and'**

Further amend said Bill in Sec. 157-I, subsection XIV, by striking out the underlined words "**To make**" in the first line and inserting in place thereof the underlined word **'Make'**

Further amend said Bill in Sec. 157-L by striking out the underlined word "**his**" before the underlined word "**successor**" in the 6th line and inserting in place thereof the underlined word **'their'**

Further amend said Bill in Sec. 157-O, in the 2nd and 3rd lines, by striking out the underlined words "**and faithful performance of duties**"

Further amend said Bill in Sec. 157-U by striking out all of the first paragraph and inserting in place thereof the following underlined paragraph:

'Subject to the application of the prudent man rule, administrators, executors, custodians, guardians, conservators, trustees and other fiduciaries of every kind and nature, insurance companies, business and manufacturing companies, banks, credit unions and all other types of financial institutions, charitable, educational, eleemosynary and public corporations and organizations, and municipalities and other public corporations and bodies, and public officials are specifically authorized and empowered to invest funds held by them in shares or accounts of any association operating pursuant to sections 157-A to 157-Z-36. With respect to investments by custodians, associations hereby are deemed to be "banks" within the meaning of that term as used in the Uniform Gift to Minors Act of this State.'

Further amend said Bill in Sec. 157-Z-12, subsection 1, by adding after paragraph H, a new underlined paragraph to read as follows:

'I. Additional loans upon the same real estate or a portion thereof may be made provided any mortgage securing such loan shall contain a provision to the effect that the premises described are subject to such prior mortgage or mortgages to the mortgagee and provided further that there shall be no intervening mortgage or encumbrance other than those held by the association concerned.'

Further amend said Bill in Sec. 157-Z-12, subsection III, by striking out in the 4th and 5th lines the underlined words and punctuation "**made, such**" and inserting in place thereof the underlined words and punctuation '**made. Such**'

Further amend said Bill in Sec. 157-Z-18 by striking out the last sentence of the first paragraph and inserting in place thereof the following underlined sentence: '**Should this fund be less than 5% of withdrawable accounts at the effective date of this act or should it later become impaired and fall below 5% of the association's withdrawable accounts, it shall be restored by setting aside from current net income an amount which together with other amounts so set aside for this purpose during the fiscal year shall be equal to at least 1/2 of 1% of its withdrawable accounts, until the fund is restored to the required amount.'**

Further amend said Bill in Sec. 157-Z-20, in the 3rd line, by striking out the underlined words "**savings of its members**" and inserting in place thereof the underlined words '**accounts of its members**'

Further amend said Bill by striking out all of Sec. 157-Z-34 and inserting in place thereof the following:

'Sec. 157-Z-34. Department regulations. The commissioner may implement by regulation any provision of law relating to the supervision of savings and loan associations or amend or repeal such regulations, provided that:

I. Public notice. Public notice of a hearing to consider the proposed regulation, amendment or repeal shall be given at least 30 days prior to the hearing date, concurrent written notice to be given the commissioner's advisory committee.

II. Submitted to advisory committee. After such notice and hearing, the proposed regulation, amendment or repeal as finally formulated shall be submitted to said advisory committee.

III. Effective date. Such regulation, amendment or repeal may be issued, and shall become effective on issue, not less than 60 days after submitted to the advisory committee unless said advisory committee disapproves the proposed regulation, amendment or repeal by majority vote of its entire membership submitted to the commissioner in writing within the 60-day period stating the reasons for its disapproval.'

Further amend said Bill in Sec. 157-Z-35, in the first line, by striking out the underlined word "**Any**" and inserting in place thereof the underlined words and punctuation '**Unless otherwise provided for, any**'