

MAINE STATE LEGISLATURE

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EIGHTY-FIFTH LEGISLATURE

Legislative Document

No. 376

S. P. 353

In Senate, Feb. 6, 1931.

Referred to Committee on Banks and Banking and 500 copies ordered printed. Sent down for concurrence.

ROYDEN V. BROWN, Secretary.

Presented by Senator Crockett of York.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND THIRTY-ONE

AN ACT relating to regulation of loans by trust companies.

Be it enacted by the People of the State of Maine, as follows:

Section Seventy-seven, Chapter 57 of the Revised Statutes is hereby amended by striking out all of said Section and inserting in lieu thereof the following:

'Sect. 77. Regulation of loans. R. S. c. 52, Sec. 78. 1923, c. 144, Sec. 77. R. S. c. 57, Sec. 77. No trust company shall loan to any person, firm, business syndicate, or corporation, an amount or amounts, at any time outstanding in excess of ten per cent of its total capital, unimpaired surplus and net undivided profits, except on the approval of a majority of its entire board of directors or executive committee, unless secured by collateral which shall be of value equal to the excess of said loans above said ten per cent, and the total amount of loans to any person, firm, business syndicate, or corporation shall at no time exceed fifteen per cent of said total capital, unimpaired surplus and net undivided profits; provided, that in determining said amount, every person, firm, syndicate, or corporation appearing on any loan as endorser, guarantor, or surety, shall be regarded as an original promissor. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper

actually owned by the person negotiating the same, and the renewal or renewals in whole or in part of such commercial or business paper so discounted for periods not exceeding in all three years for any such paper, shall not be considered as money borrowed. Loans to municipal corporations located within the State upon their bonds or notes shall not be affected by the provisions hereof. In all cases where loans in excess of said ten per cent are granted, without collateral, the records of the company shall show who voted in favor thereof, and said records and those required by section seventy-eight shall constitute prima facie evidence of the truth of all facts stated therein in prosecutions and suits to enforce the several provisions and penalties enumerated in section seventy-nine.'