

MAINE STATE LEGISLATURE

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CHAPTER 243

ORGANIZATION

Sec.

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§ 2641. Incorporation; filing of certificate; commencement of business required

Ten or more resident persons of the State may apply to the commissioner for permission to organize a credit union for the purposes of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest, for provident and productive purposes.

A credit union shall be organized in the following manner:

1. Organization; fee. Other than as provided herein, credit unions shall be organized under Title 13, sections 71 to 79. The fee for filing and recording the articles of organization, including the issuing by the Secretary of State of the certificate of incorporation, shall be \$25.

1961, c. 417, § 146.

2. Certificate of organization. The applicants shall execute in quadruplicate a certificate of organization by the terms of which they agree to be bound. The certificate shall state:

- A.** The name of the proposed credit union, which shall include the words "credit union," and its location;
- B.** The names and addresses of the subscribers to the certificate and the number of shares subscribed for by each;
- C.** The proposed field of membership.

3. Bylaws. They shall next prepare and adopt bylaws, consistent with chapters 241 to 251, for the general supervision of the credit union and execute the same in duplicate.

4. Duty of commissioner. When any such certificate of organization and bylaws, in proper form, shall have been filed

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with the commissioner, and prior to approval of such certificate, he shall ascertain, by such investigation as he may deem necessary, that:

- A.** The organization certificate and bylaws conform to chapters 241 to 251;
- B.** The character, responsibility and general fitness of the persons named in such certificate are such as to reasonably assure the proper conduct of the affairs and operation of a credit union;
- C.** The proposed field of membership provides a common bond of interest and a potential membership such as will reasonably assure success of the credit union;
- D.** The proposed credit union will not materially jeopardize the financial stability of any existing credit union.

5. Approval or disapproval. After making such investigation, the commissioner shall, within 90 days after the filing of the certificate of organization, endorse upon each certificate, over his official signature, the word "Approved" or "Disapproved" as the case may be, and shall forthwith notify the proposed organizers. In the case of approval, one of the quadruplicate certificates shall be filed by the commissioner in his own office, the 2nd with the Secretary of State, the 3rd with the Attorney General and the 4th shall be returned to the organizers. Such certificate so returned shall constitute the authorization to commence business. In case of disapproval, the reasons therefor shall be set forth.

6. Commence business within 6 months. Any credit union which shall not commence business within 6 months after the date on which its approved certificate of organization is issued shall forfeit its rights and privileges as a credit union and its corporate powers shall cease, which fact the commissioner shall certify to the Secretary of State, provided that the commissioner may, for satisfactory cause to him shown, extend by order for not more than one year the time within which business may be commenced, such order to be so certified and filed as in the case of the organization certificate.

R.S.1954, c. 55, § 2; 1961, c. 147, § 2; c. 417, § 146.

§ 2642. Supervision and examination

Credit unions shall be under the supervision of the commissioner, and sections 2, 6, 7, 171 and 172 shall be applicable to cred-

it unions in the same manner that they apply to financial institutions. Semiannual assessments required by section 2 shall be computed in the manner prescribed therein for loan and building associations.

R.S.1954, c. 55, § 3; 1961, c. 147, § 3; c. 385, § 15; c. 417, § 147.

§ 2643. Corporations, partnerships and associations as limited members

Any fraternal organization, voluntary association, partnership or corporation, having a usual place of business within the State and composed principally of individual members or stockholders who are themselves eligible to membership in a credit union, may become a member of a credit union but, except with the consent of the commissioner, a credit union shall make no loan to such a member in excess of the total of its shares therein; nor shall a credit union receive from any such member money in payment for shares to such an amount that the total of such payments by all members of the class described in this section shall exceed at any time 25% of the assets of the credit union.

R.S.1954, c. 55, § 5.

§ 2644. Bylaws

The shareholders of every such corporation shall make and adopt bylaws, consistent with law, for the governing of its affairs. The bylaws shall provide for and determine:

1. **Name.** The name of the corporation;
2. **Purposes.** The purposes for which it is formed;
3. **Conditions for membership.** The condition of residence, occupation or association which qualify persons for membership;
4. **Conditions governing shares.** The conditions on which shares may be paid in, transferred and withdrawn;
5. **Receipt for money paid.** The method of receipting for money paid on account of shares or repaid on loans;
6. **Number of directors and committees.** The number of directors and the number of members of the credit committee and the auditing committee and the manner of electing same;
7. **Meetings of directors and committees.** The time of holding regular meetings of the board of directors, the credit committee and the auditing committee;

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8. Duties of officers. The duties of the several officers;

9. Entrance fees. The entrance fees, if any, to be charged;

10. Fines. The fines, if any, to be charged for failure to meet obligations to the corporation punctually;

11. Annual meeting. The date of the annual meeting and the manner in which members shall be notified of all meetings;

12. Quorum. The number of members who shall constitute a quorum at all meetings;

13. Other regulations. Such other regulations as may be deemed to be necessary.

R.S.1954, c. 55, § 7.

§ 2645. Amendment of bylaws

Subject to section 2646, the bylaws may be amended at any annual meeting or at a special meeting, called for the purpose, by a $\frac{3}{4}$ vote of all the members present and entitled to vote, provided a copy of the proposed amendment, together with a written notice of the meeting, shall have been sent to each member or handed to him in person at least 7 days prior to said meeting.

R.S.1954, c. 55, § 8.

§ 2646. Approval by commissioner

No credit union shall receive any payments on account of shares or make any loans, until its certificate of organization and its bylaws have been approved in writing by the commissioner, nor shall any amendments to its bylaws become operative until they have been so approved.

R.S.1954, c. 55, § 9.

§ 2647. Capital

The capital of a credit union shall be unlimited in amount and shall consist of shares which may be subscribed for and paid for in such manner as the bylaws shall prescribe. The par value of the shares shall be \$5. The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board of directors. A credit union may require from a member 90 days' notice of his inten-

tion to withdraw any funds which he may have in the said credit union. Section 515, with reference to joint accounts, payments of account of deceased persons and loss of passbooks shall apply to credit unions.

R.S.1954, c. 55, § 10; 1955, c. 380, § 3; 1957, c. 34; 1963, c. 110, § 1.