

# MAINE STATE LEGISLATURE

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*Maine*  
REVISED STATUTES  
1964

*Prepared Under the Supervision  
of the  
Committee on Revision of Statutes*

Being the Tenth Revision of the  
Revised Statutes of the State  
of Maine, 1964

Volume 1  
CONSTITUTION

Titles 1 to 10



Boston, Mass.  
Boston Law Book Co.

Orford, N. H.  
Equity Publishing Corporation

St. Paul, Minn.  
West Publishing Co.

Text of Revised Statutes  
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State of Maine

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CHAPTER 247

POWERS AND DUTIES

Sec.

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§ 2721. Directors

The board of directors shall have the general management of the affairs, funds and records of the credit union and shall meet as often as may be necessary, but not less than once each month. It shall be the special duty of the directors:

**1. Application for membership.** To act upon applications for membership; or to appoint an executive committee or a membership officer from among the members of the credit union, other than the treasurer, an assistant treasurer or loan officer, who may be authorized by the board to approve applications for membership under such conditions as the board may prescribe; except that such committee or membership officer so authorized shall submit to the board at each monthly meeting a list of approved or pending applications for membership received since the previous monthly meeting, together with such other related information as the bylaws or board may require;

**2. Bond.** To purchase a blanket bond in an amount which is not less than an amount recommended by the commissioner, which shall be required of the treasurer and of each other officer and other employee having the custody of funds or property;

**3. Rate of interest.** To determine from time to time the rate of interest consistent with chapters 241 to 251 which shall be charged on loans;

**4. Dividends.** To declare dividends in the way and manner as provided in the bylaws;

**5. Number of shares.** To limit the number of shares which may be owned by one member and such limitation shall apply alike to all members;

**6. Supervisory committee.** To appoint a supervisory committee of not less than 3 members and not more than one may be a director;

**7. Vacancies.** To fill vacancies occurring between annual meetings in the board of directors and in the credit committee and supervisory committee until the election or appointment and qualification of their successors;

**8. Loans.** To fix from time to time the maximum amount, both secured and unsecured, which may be loaned to any one member;

**9. Investment of surplus funds.** To have charge of the investment of surplus funds;

**10. Employees.** To authorize the employment of such person or persons as may be necessary to carry on the business of the credit union and to fix the compensation of such employees including the treasurer;

**11. Conveyance of property.** To authorize the conveyance of property;

**12. Borrow money.** To borrow money to carry on the functions of the credit union;

**13. Other duties.** To perform such other duties as the members may from time to time require;

**14. Depository for funds.** To designate a depository or depositories for the funds of the credit union;

**15. Suspension of members of committees.** To suspend any or all members of the credit and supervisory committees for failure to perform their duties;

**16. Loan officers.** To establish and provide for compensation of loan officers appointed by the credit committee and of auditing assistance requested by the supervisory committee; and

**17. Other action.** To perform or authorize any action consistent with chapters 241 to 251 not specifically reserved by the bylaws for the members.

R.S.1954, c. 55, § 16; 1957, c. 33; 1963, c. 110, § 3.

### § 2722. Supervisory committee

The supervisory committee shall keep fully informed at all times as to the financial condition of the credit union, shall exam-

**9 § 2722**      **BANKS—FINANCIAL INSTITUTIONS**      **Title 9**

ine or cause to be examined carefully the cash and accounts of the credit union quarterly, and shall report to the board of directors its findings, together with its recommendations. It shall, under regulations prescribed by the commissioner, cause to be verified the passbooks or accounts of the members of the credit union at least once in every 3 years. It shall hold meetings at least once quarterly, shall keep records thereof and shall make an annual report at the annual meeting of the members.

R.S.1954, c. 55, § 17; 1963, c. 110, § 4.

**§ 2723. Credit committee**

The credit committee shall:

- 1. Meetings.** Hold meetings at least once in each month;
- 2. Applications for loans.** Act on all applications for loans;
- 3. Personal loans.** Approve in writing all personal loans granted and the security, if any, pledged therefor; and

**4. Loans secured by real estate mortgages.** Submit to the board of directors all applications for loans to be secured by mortgages of real estate, with their recommendations thereon, which shall include a certificate as to their best judgment of the value of the real estate involved.

**5. Loan officers.** When so provided by the bylaws, the credit committee may appoint one or more loan officers who may receive such compensation as may be provided by the board of directors. The credit committee may delegate to the loan officer or officers such authority, as is within the limits set for the committee by the board of directors, as they may vote. The authority granted to any loan officer shall be reported to and included in the minutes of the meetings of the board of directors. No loan officer shall disapprove any loan application, but shall refer such applications to the full committee. All loan officers shall furnish to the credit committee a record of each application acted upon by him at the next meeting of said committee after the date of the filing of the application therefor. No loan officer shall have authority to disburse funds of the credit union for any loan approved by him in his capacity as loan officer.

1961, c. 147, § 5.

No personal loan, other than those approved by loan officers, shall be made unless all of the members of the credit committee who are present when the application is considered, which num-

ber shall constitute at least  $\frac{2}{3}$  of the members of said committee, approve said loan. No such loan shall be granted unless the members of said committee are satisfied that the loan promises to be of benefit to the borrower.

R.S.1954, c. 55, § 21; 1961, c. 147, §§ 5, 6.

#### § 2724. Power to borrow

A credit union may borrow, from any source, in an amount not exceeding 50% of its paid in and unimpaired capital and surplus.

R.S.1954, c. 55, § 28; 1963, c. 110, § 7.

#### § 2725. Reports to commissioner

Within 30 days after the last business day of December in each year, every credit union shall make to the commissioner a report in such form as he may prescribe, signed by the president, treasurer and a majority of the auditing committee, who shall make oath that the report is correct according to their best knowledge and belief. Any credit union, neglecting to make said report within the time prescribed, may be required at the discretion of the commissioner to forfeit to the State \$5 for each day during which such neglect continues.

R.S.1954, c. 55, § 25.

#### § 2726. Expulsion of members

The board of directors may expel from a credit union any member who has not carried out his engagements with it, or who has been convicted of a criminal offense, or who neglects or refuses to comply with chapters 241 to 251 or the bylaws of the credit union, or who has deceived the corporation or a committee thereof with regard to the use of borrowed money; but no member shall be expelled until he has been informed in writing of the charges against him and an opportunity has been given him, after reasonable notice, to be heard thereon.

The amounts paid in on shares by members who have withdrawn or have been expelled shall be paid to them, in the order of withdrawal or expulsion, but only as funds therefor become available and after deducting any amounts due from such members to the credit union. Such expulsion shall not operate to relieve a member from any outstanding liability to the credit union.

R.S.1954, c. 55, § 26.