MAINE STATE LEGISLATURE

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PUBLIC DOCUMENTS

OF THE

STATE OF MAINE

BEING THE

REPORTS

OF THE VARIOUS

PUBLIC OFFICERS
DEPARTMENTS AND
INSTITUTIONS

FOR THE TWO YEARS

JULY 1, 1930 - JUNE 30, 1932

STATE OF MAINE

REPORT

OF THE

Attorney General

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for the calendar years

1931-1932

ruled that an overlapping trailer is a separate vehicle under the registration statute. The statute, however, seems to have specified four-wheeled vehicles, hence the Attorney General felt obliged to rule that a combination having six wheels would be two vehicles.

In Illinois the Attorney General, under date of November 21, 1927 (Report 1927, page 462) under a registration stature rules that an overlapping or "semi-trailer" must be licensed separately under a statute providing for licensing "trailers." But in this opinion he was merely reconciling two portions of a section, which section expressly said that, "all trailers and semi-trailers" must pay license fees.

Giving weight to these rulings as far as practicable and interpreting our statutes as they stand, I am of the opinion that,—

1. All trailers, regardless of the method of their annexation to the principal vehicle, must be separately licensed.

2. Only one such trailer can be annexed to a motor vehicle. If it is annexed so firmly that it forms one firm unit on the highway no third unit can be appended.

3. The trailer itself must not exceed twenty-six feet in length. As I interpret it, this means that the unit which is licensed as a trailer must not be more than twenty-six feet long. It is immaterial whether or not, when operated on the highway, the part of the twenty-six feet overlaps the principal vehicle. In any event it is a trailer and licensed as such. This length limitation occurs in the license section of the statute. If the trailer as a separate unit exceeds twenty-six feet it cannot legally be attached to a motor vehicle.

4. No single motor vehicle constructed and licensed as a single entity can exceed thirty-six feet in length. It may have attached to it a trailer which is itself twenty-six feet in length. The combined maximum length of vehicle plus trailer is sixty-two feet, but the separate units before they are combined must not exceed thirty-six and twenty-six feet respectively.

The clue to the interpretation of the problem which you put is that the licensing section defines the maximum length, first, of motor vehicles, secondly, of trailers as separate units and carries no provision authorizing either unit to be longer than this maximum because of their prospective operation as one complete whole.

BANKING LAW—LOAN AND BUILDING ASSOCIATIONS

May 25, 1932

To Hon. Sanger N. Annis
Bank Commissioner

In your letter of April 20, 1932, you suggest that certain questions have arisen relative to the statutory powers of loan and building asso-

ciations, and ask the opinion of this department regarding the following questions:

1. Can a loan and building association borrow money from any other loan and building association having surplus uninvested funds with the approval of the Bank Commissioner?

2. Can a loan and building association borrow money from any other source, or in any other manner, and if so, from what source and in what manner?

3. Can a loan and building association loan money to a shareholder on security of a first mortgage on real estate in an amount exceeding $200 for each share pledged by the borrower?

4. Can a loan and building association loan money to any borrower on security of a first mortgage on real estate unless accompanied by a pledge of shares on a basis of not exceeding $200 for each share pledged?

5. Can a loan and building association loan money to any shareholder secured by a second mortgage on real estate, if the association holds the first mortgage on the same property?

Question 1, we answer in the affirmative. Sec. 108 of ch. 57 of the Revised Statutes, 1930, provides that,—

". . . . Any balance remaining unloaned to members may be invested in such securities as are legal for the investment of deposits in savings banks, or with the approval of the bank commissioner may be loaned in whole or in part to other loan and building associations in this state. No loan shall be made on the gross premium plan."

The right of one association to loan to another association with the approval of the Bank Commissioner is indicative of the right of the other association to borrow.

Question 2, we answer in the negative, there being no provisions of the statutes, except as stated in answer to Question 1, relative to the borrowing of money.

Question 3, we answer in the negative. In sec. 108 already referred to it is provided that,—

"Any member may, upon giving security satisfactory to the directors, receive a loan of two hundred dollars for each share held by him, or such fractional part of two hundred dollars as the by-laws may allow."

The legislature by expressly setting up this form and amount of loan impliedly excludes other loans.

Question 4, we answer in the negative. Sec. 108 above quoted, and sec. 111 which provides that,—

"For every loan made, a note secured by a first-mortgage of real estate shall be given accompanied by a transfer and pledge of the shares of the borrower,"

evidently limit the loan to $200 for each share held by the member or shareholder.

Answering *Question* 5, we call your attention to sec. 111 wherein it is provided that,—

"For every loan made, a note secured by a first-mortgage of real estate shall be given."

It is possible that a second-mortgage might be taken where the association holds a first mortgage, provided that the amount borrowed on both mortgages does not exceed the amount of the shares of the borrower taken on a basis of not exceeding $200. This precise question has never been decided by the court and is not free from doubt.

In some cases, where a borrower desires to increase his loan above the maximum specified in the original mortgage, a new note and mortgage for the full amount has been made and the first note and mortgage canceled. Such we believe to be the better practice although it is true that the net result of the situation would be the same if two notes and two mortgages were taken for the same total amount. If the association has reason to fear that some junior incumbrance might come in ahead of a new first-mortgage surely a subsequent increase of loan on a supplemental mortgage to the association would be inadvisable.

BANKING LAW—LOAN AND BUILDING ASSOCIATIONS

June 17, 1932

To Eugene L. Bodge, Esq.
Portland, Maine

The deputy and myself have given very serious consideration to your letter of June 10 suggesting that we reconsider the opinion of this department, under date of May 25, 1932, in which we ruled against the general power of a Maine loan and building association to borrow money except from another loan and building association, with the approval of the Bank Commissioner under sec. 108 of ch. 57. You cite authorities defining the general powers of such association.

The question is not without difficulty and we should welcome a court determination of the issue. We are constrained, however, to hold the same opinion which we have previously expressed.

It seems to us that the express provision of the statutes cited above vesting the associations with a limited borrowing power, by implication excludes a greater power.

Moreover our courts in at least two cases have defined the object of Maine loan and building associations in restricted language. In *Tibbetts v. Building Association*, 104 Me. 404, 409, the court speaks of the practice of the association, "Like that of similar associations in this state . . . . to accumulate from small contributions capital to loan to members for building purposes . . ."

Money borrowed from a bank is not "accumulated from small contributions."