

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT

OF THE

ATTORNEY GENERAL

for the calendar years

1957 - 1958

December 5, 1957

To Albert S. Noyes, Banking Commissioner

Re: Mobile Banking

. . . You ask if the provisions of Chapter 59, Section 124, R. S. 1954 (Establishment and closing of branches), would permit you to authorize the establishment of mobile banks.

A "mobile bank" is a bus that goes from place to place, picking up deposits and transacting a general banking business.

We are of the opinion that the present banking laws do not permit mobile banks.

Articles appear in the daily banking newspaper, "American Banker," which indicate that the Federal Deposit Insurance Corporation has recently approved "bank mobile" service where such service was legally authorized in Puerto Rico by legislative Act. As indicated in articles in that newspaper dated November 12 and 14, 1957, bank mobile business was closely regulated either by legislative Act or under rules and regulations in relation to such items as fixed locations, designated dates and times, telephone connections with the home office, return on a regular schedule to home offices, prohibitions against doing any banking business along the road between designated places and from their home offices, etc.

History-wise, the evils that accompanied mobile banks, or "saddle-bag banks," became so well known that as early as 1830 banking legislation precluded mobile banking. See the above publications of the "American Banker."

Our examination of the banking law convinces us that it was the intent of the legislature that banks or branches of banks should be in fixed locations.

Even if this were not in our opinion the clear intent of the legislature, it would seem that experiences of past years would demand that if such mobile banks could be authorized, such authorization would have to be expressed in our legislation, with the right to control the business set forth by statute or by means of rules and regulations. Presently, the Banking Commissioner has no authority to issue rules and regulations affecting banks except in times of banking emergencies.

It is for these reasons that we give our opinion that mobile banking is not presently authorized by the statutes of the State of Maine.

FRANK F. HARDING
Attorney General

December 9, 1957

To: Kermit S. Nickerson, Deputy Commissioner of Education

Re: Teachers' Contracts

We have your memorandum of December 3, 1957, in which you ask for an interpretation of Chapter 41, Section 87, Paragraph V.

This section relating to the employment of teachers states in part: