

MAINE STATE LEGISLATURE

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Attorney General

Foreign Corporations, qualified to do business loans in excess of \$2,000

You have asked whether a foreign corporation, having the corporate power to loan money may engage in the business of granting loans in excess of \$2,000 in this State after it has been registered to do business by the Secretary of State, in the absence of any statute directly and specifically authorizing it. The answer is yes, provided the Bureau of Banks & Banking approves such doing of business.

9 M.R.S.A. Chapter 301 as enacted by P.L. 1965, c. 250, authorized the formation of domestic corporations for the purpose of making loans in excess of \$2,000. There was not then, nor is there now, any provision of law specifically authorizing foreign corporations to engage in the business of making such loans. Until 1971, the Secretary of State was not authorized (under 13 M.R.S.A. § 591 as interpreted under the definition of "banking business" contained in 9 M.R.S.A. § 1,B) to register a foreign corporation for this purpose. In that year, Title 13, c. 19, was repealed and replaced by Title 13-A, c. 12.

13-A M.R.S.A. § 1201, sub-§1, provides that no foreign corporation shall do business in this State until authorized to do so. Section 1203, sub-§1, provides that upon filing by the Secretary of State of the application for authority (prepared in accordance with § 1202), the foreign corporation shall be authorized to do business in this State, and may engage in any business:

". . .B. which may be done by a domestic corporation organized under or otherwise pursuant to this Act . . ." unless it expressly limits itself in its application. Section 1201, sub-§2, then provides that no foreign corporation authorized to do business under this chapter may engage in any business included within a special class until it shall secure a license permit or proper authorization to do business under the law governing such special class.

Once the foreign corporation is registered to do business by the Secretary of State, it must then apply to the Bureau of Banks and Banking for a certificate of public convenience and advantage before it may commence the business of loaning money in amounts of over \$2,000. Although there is a technical inconsistency by reason of the use of the words "pursuant to this Act" in section 1203, sub§1, the intent of the Legislature is clear, that when the foreign corporation has been registered thereunder, it may then engage in business provided it obtains a permit or proper authorization to do business under the law governing such special class of business.

LVWJr/mf

AN INFORMAL OPINION