

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 970

H. P. 689

House of Representatives, February 21, 1967

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Harriman of Hollis.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Revising the Savings and Loan Association Laws.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 9, § 1702, sub-§ 5, amended. Subsection 5 of section 1702 of Title 9 of the Revised Statutes, as amended by section 1 of chapter 69 of the public laws of 1965, is further amended by adding at the end the following sentence:

An association may classify and differentiate such shares and accounts on such basis as its directors may determine.

Sec. 2. R. S., T. 9, § 1704, repealed and replaced. Section 1704 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 1704. Minors

Shares and accounts in the name of a minor are his or her property, and the association may, in the discretion of the officer making or authorizing the payment, pay the same to such minor or to his or her order or his or her guardian. The receipt of such minor, or his or her guardian, for any such payment is a valid release and shall discharge the association.

Sec. 3. R. S., T. 9, § 1832, sub§ 1, ¶¶ E and F, amended. Paragraphs E and F of subsection 1 of section 1832 of Title 9 of the Revised Statutes are amended to read as follows:

E. Loans written under ~~paragraph C, subparagraph (2) and~~ paragraph D, together with loans on properties located more than ~~50~~ 100 miles from an association's place of business and loans in excess of ~~\$25,000~~ \$35,000 or 10% of

surplus funds, whichever is larger, shall not in aggregate exceed 20% of total assets.

F. No association shall make a loan secured by any one property which exceeds ~~\$25,000~~ \$35,000 or 10% of surplus funds, whichever is the larger; nor shall the total loans to any one borrower or group of associated borrowers exceed ~~\$35,000~~ \$45,000 or 20% of surplus funds, whichever is the larger.

Sec. 4. R. S., T. 9, §1832, sub-§ 2, repealed and replaced. Subsection 2 of section 1832 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

2. Account loans. In loans secured by a pledge of any share, account or deposit book or certificate issued by any savings and loan association, savings bank, trust company or national bank in the State of Maine, provided no loan shall exceed the withdrawal value of the pledged account.

Sec. 5. R. S., T. 9, § 1832, sub-§ 8, additional. Section 1832 of Title 9 of the Revised Statutes, as amended, is further amended by adding a new subsection 8, to read as follows:

8. Loans on leases. An association may make a loan secured by a mortgage, pledge or collateral assignment of a lease of the fee of real property upon the following conditions:

A. Lien. The security shall be a first lien upon the lease and the fee shall not be subject to any prior lien.

B. Amount. To an amount not exceeding 66 2/3% of its appraisal of the leasehold interest including the leasehold interest in improvements erected or to be erected upon the leased real estate.

C. Payments. The note or other obligation evidencing the loan shall require monthly payment of the interest and principal thereon at a rate of regular amortization sufficient to repay the entire loan within a period not to exceed 4/5 of the unexpired term of the lease, defined so as to exclude extensions of the term which may be provided by an option of renewal or extension, and within a period not to exceed in any event 25 years.

D. Limitation. The aggregate of all loans on leases made by an association shall at no time exceed 5% of its total assets.

Sec. 6. R. S., T. 9, § 1834, sub-§ 4, repealed and replaced. Subsection 4 of section 1834 of Title 9 of the Revised Statutes, as amended by section 7 of chapter 69 of the public laws of 1965, if repealed and the following enacted in place thereof:

4. Shares, accounts and deposits. In shares, accounts and deposits of any financial institution within the New England states whose shares, accounts or deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation provided that no such investment in any financial institution shall be in excess of the amount so insured.

Sec. 7. R. S., T. 9, § 1835, sub-§ 1, amended. Subsection 1 of section 1835 of Title 9 of the Revised Statutes is amended to read as follows:

1. Office building for transaction of association business. In the purchase of improved or unimproved real estate and in the erection or improvement of buildings thereon together with fixtures ~~and equipment~~ for the purpose of providing offices for the transaction of an association's business. Such buildings may include space for rental purposes. The cost to the association of such lands, buildings ~~and fixtures and equipment~~ shall not exceed 50% of the sum of such association's surplus funds at the time such investment is made, unless the commissioner shall, for good cause shown, on application therefor approve an amount in excess of said amount subject to such conditions as the commissioner may approve.