

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FOURTH LEGISLATURE

Legislative Document

No. 609

S. P. 200

In Senate, February 5, 1969

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

JERROLD B. SPEERS, Secretary

Presented by Senator Mills of Franklin.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-NINE

AN ACT to Revise the Credit Union Law.

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

Sec. 1. R. S., T. 9, § 2601, sub-§ 4, amended. Subsection 4 of section 2601 of Title 9 of the Revised Statutes is amended by adding at the end the following new sentence:

Any person whose note is purchased from a liquidating credit union and members of the immediate family of such person shall be considered within the field of membership of such purchasing credit union.

Sec. 2. R. S., T. 9, § 2647, amended. The last sentence of 2647 of Title 9 of the Revised Statutes is amended to read as follows:

Section Sections 515, 516 and 517, with reference to joint accounts, payments of account of deceased persons and loss of passbooks shall apply to credit unions.

Sec. 3. R. S., T. 9, § 2686, amended. The 2nd and 3rd sentences of the first paragraph of section 2686 of Title 9 of the Revised Statutes are amended to read as follows:

Any capital or surplus funds, in excess of the amount for which loans shall be approved by the credit committee and the board of directors, may be deposited in any bank of this State which is a member of the Federal Deposit Insurance Corporation or invested in any bonds, notes of the United States or of any state or subdivision thereof, of bankers' acceptances, which bonds, notes or bankers' acceptances are at the time of their purchase legal investments for savings banks in this State; or in the shares of other credit unions

incorporated in this State or by the Federal Government, or in the shares of state and federal loan and building associations **or such funds may be used to purchase notes from a liquidating credit union up to 5% of the unimpaired capital and surplus of such purchasing credit union.** Investments, other than personal loans, shall be made only with the approval of the board of directors or the executive committee.

Sec. 4. R. S., T. 9, § 2687, amended. Section 2687 of Title 9 of the Revised Statutes is amended by inserting before the last sentence the following new sentence:

The board of directors shall be permitted to declare variable dividend rates for Christmas clubs, special purpose clubs, tax clubs, deposit accounts and the like.

Sec. 5. R. S., T. 9, § 2721, sub-§ 16-A, additional. Section 2721 of Title 9 of the Revised Statutes is amended by adding a new subsection 16-A, to read as follows:

16-A. Executive committee. To appoint an executive committee, when the bylaws so provide, consisting of not less than 3 members with the authority to invest surplus funds or borrow in the name of the credit union.

Sec. 6. R. S., T. 9, § 2761, amended. The first sentence of section 2761 of Title 9 of the Revised Statutes, as amended by section 3 of chapter 63 of the public laws of 1965, is further amended to read as follows:

Subject to section 2643, a credit union may receive savings of its members in payment for shares, Christmas clubs, special purpose clubs, tax clubs, **deposit accounts** and the like, and may lend to its members at reasonable rates or invest, as provided, the funds so accumulated.

Sec. 7. R. S., T. 9, § 2765, sub-§ 1, repealed and replaced. Subsection 1 of section 2765 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

1. Unsecured loans. Credit unions whose unimpaired capital and surplus is \$100,000 or more may lend up to \$2,500 to a member on his signature alone. Credit unions with unimpaired capital and surplus of less than \$100,000 may make such loans up to $2\frac{1}{2}\%$ of their unimpaired capital and surplus or \$200, whichever is greater.