

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FOURTH LEGISLATURE

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Legislative Document

No. 1354

S. P. 402

In Senate, March 12, 1969

Referred to Committee on Business Legislation. Sent down for concurrence and 1,000 ordered printed.

JERROLD B. SPEERS, Secretary

Presented by Senator Mills of Franklin.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-NINE

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AN ACT to Amend the Credit Union Law.

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

R. S., T. 9, § 2765, sub-§ 3, ¶ D, additional. Subsection 3 of section 2765 of Title 9 of the Revised Statutes is amended by adding a new paragraph D, as follows:

D. Any interest in real property which may now be mortgaged to a credit union under paragraphs A to C may be mortgaged to secure existing debts or obligations, to secure debts or obligations created simultaneously with the execution of the mortgage, to secure future advances necessary to protect the security and to secure future advances to be made at the option of the parties up to a total amount stated in the mortgage, and all such debts, obligations and future advances shall, from and as of the time the mortgage is filed for record as provided by law, be secured by such mortgage and have priority over the rights of all persons who subsequent to the recording of such mortgage acquired any rights in or liens upon the mortgaged real estate to the extent the aggregate amount outstanding at any one time of such debts, obligations and future advances shall not exceed the total amount stated in the mortgage except that:

(1) The mortgagor or his successor in title is authorized to file for record, and the same shall be recorded in the same recording office as the original mortgage, notice limiting the amount of optional future advances secured by such mortgage to not less than the amount actually advanced at the time of such filing, provided a copy of such filing is filed with the mortgagee; and

(2) The priority of such debts, obligations and future advances shall not include any future optional advances secured by such mortgage made by such credit union after any such person, in addition to acquiring such subsequent right or lien, sends the credit union by registered mail or delivers to an officer of the credit union and secures a receipt therefor express written notice stating that any such optional advances thereafter made will be junior to such person's mortgage or lien upon or rights in such real estate.

"Future advances" referred to in this paragraph shall include only those made to recipients designated in the mortgage.

This paragraph shall apply to all credit unions whether organized under the laws of the State of Maine, including special or private laws of the State of Maine, or the United States of America.