

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

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**Legislative Document**

**No. 996**

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H. P. 734

House of Representatives, February 19, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Clark of Jefferson.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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**AN ACT Amending Certain Savings Bank Laws.**

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

**Sec. 1.** R. S., T. 9, § 517, sub-§ 2, amended. Subsection 2 of section 517 of Title 9 of the Revised Statutes is amended to read as follows:

2. **Two or more depositors.** If the book was issued to 2 or more depositors, then by each depositor, his executor or administrator, unless the certificate was payable to either, or to either or their survivor, in which event it shall be signed by all such depositors then surviving, or by the last survivor or the executor or administrator of the last survivor of such depositors. A guardian or conservator shall sign for any of the foregoing persons depositors respecting whom he has been appointed.

**Sec. 2.** R. S., T. 9, § 517-A, additional. Title 9 of the Revised Statutes is amended by adding a new section 517-A, to read as follows:

§ 517-A. **Loss of certificate of deposit**

If a bank, savings bank or trust company receives an affidavit in writing that a nonnegotiable certificate of deposit which it has issued is lost and could not be found after thorough search, together with a request that a duplicate certificate with identical provisions be issued, such notice and request being signed by the appropriate person or persons as provided, thereafter, said bank or trust company at the expiration of a period of 10 days from the receipt of such notice may issue a duplicate certificate of deposit to the persons signing said affidavit and request, if the missing certificate's whereabouts is not sooner disclosed, and the delivery of such duplicate certificate of deposit shall relieve said savings bank or trust company from

all liability on account of the missing original certificate of deposit. Such notice and request shall be signed.

1. Single depositor. If the certificate was issued to a single depositor, then by him, or by his guardian, conservator, executor or administrator;

2. Two or more depositors. If the certificate was issued to 2 or more depositors, then by each depositor, his executor or administrator, unless the certificate was payable to either, or to either or the survivor, in which event it shall be signed by all such depositors then surviving, or by the last survivor or by the executor or administrator of the last survivor. A guardian or conservator shall sign for any of the foregoing depositors respecting whom he has been appointed.

Sec. 3. R. S., T. 9, §§ 571 and 572, additional. Title 9 of the Revised Statutes is amended by adding 2 new sections, to be numbered 571 and 572, to read as follows:

§ 571. Federal funds transactions

A savings bank may lend to any member bank of the Federal Reserve System deposits which it maintains with such member bank.

§ 572. Mobile home loans

1. Mobile home loans. A savings bank may make a loan secured by a security interest of first priority in one or more mobile homes and any equipment installed or to be installed therein subject to this section.

2. Definition. As used in this section the term "mobile home" means a movable dwelling constructed in one or more units to be occupied on land, having a minimum width of 10 feet and a minimum area of 400 square feet and containing living facilities for year-round occupancy by one family, including permanent provisions for eating, sleeping, cooking and sanitation.

3. Inventory financing. A savings bank may make inventory loans to mobile home dealers providing:

A. The inventory is to be held for sale in the ordinary course of business by such dealer, and

B. The loan is the obligation of such dealer and the amount thereof does not exceed the following:

(1) In the case of new mobile homes, an amount equal to the total of 100% of the manufacturer's invoice price of each such mobile home including any installed equipment, excluding freight, and 100% of the invoice price of the manufacturer of any new equipment to be installed by the dealer in such mobile home, excluding freight;

(2) In the case of used mobile homes, an amount equal to 90% of the wholesale value of each such used mobile home, including any installed equipment, as established in the dealer's market.

4. Retail financing. A savings bank may make other mobile home loans as to which the bank's investment is insured or guaranteed or is covered by a commitment for such insurance or guarantee, under the National Housing Act or chapter 37 of Title 38, United States Code, as now or hereafter amended, if arrangements have been made for satisfactory local servicing of the loan, and in other retail mobile home loans only if:

A. The mobile home is to be maintained as a residence of the owner, or beneficial owner, or a relative of such owner;

B. The mobile home is located at the time of the investment by such bank in such loan or is to be located within 90 days thereof, at a mobile home park or other semipermanent site;

C. The amount of the monetary obligation evidenced by such loan, exclusive of any time price differential or any interest, whether on an add-on, discount or other gross charge basis, does not exceed an amount equal to the total of the following:

(1) The cost of appropriate insurance for the protection of the bank and the owner, or beneficial owner, of the mobile home;

(2) Any sales or similar tax applicable in the case of the retail purchase of the mobile home; and

(3) In the case of a new mobile home, 100% of the manufacturer's invoice price of such mobile home, including any installed equipment, excluding freight, 100% of the invoice price of the manufacturer of any new equipment installed or to be installed by the dealer, excluding freight, and 10% of the total of such invoice prices, excluding freight, up to a limit of \$500; or

(4) In the case of a used mobile home, 100% of the wholesale value of such used mobile home, including any installed equipment, as established in the dealer's market; and

D. The monetary obligation evidenced by such loan is to be paid in substantially equal monthly installments within the following time limits from the date of the loan:

(1) Up to 12 years in the case of a new mobile home; or

(2) Up to 8 years in the case of a used mobile home.

5. Limitation. Not more than 5% of the deposits of a bank shall be loaned within the coverage of this section.

Sec. 4. R. S., T. 9, § 582, amended. The 2nd sentence of section 582 of Title 9 of the Revised Statutes, as enacted by section 18 of chapter 401 of the public laws of 1969, is repealed as follows:

~~Investments pursuant to this chapter shall be restricted to such as promote the development of housing for lower income families under the Housing and Urban Development Act of 1968 and amendments thereto~~

## STATEMENT OF FACT

This bill offers several detailed changes in the savings bank laws.

1. Section 1 amends the existing provisions concerning issuance of a duplicate book of deposit by providing different provisions for multi-depositor accounts depending upon whether the depositors are joint depositors or not.

2. Section 2 introduces a new section simplifying procedure for issuing a certificate of deposit to replace a missing certificate since existing section 517 is only applicable to lost "books of deposit."

3. Section 3 establishes express authorization for federal fund transactions, a form of short term lending which has proved highly useful during the past few years and has heretofore been conducted under the prudent loan section.

4. Section 3 also establishes authorization, subject to limitations, for mobile home loans, an area of increased concern during periods of housing shortages.

5. Section 4 removes a restriction as to the purposes for which savings banks may invest in real estate to an amount not exceeding 5% of the bank deposits. It will stimulate construction and equalize capacity of savings banks to compete with other financial institutions.