

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 631

S. P. 215

In Senate, February 6, 1973

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Richardson of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Amend the Savings Bank Law.

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

Sec. 1. R. S., T. 9, § 561, sub-§ 1, amended. The first paragraph of subsection 1 of section 561 of Title 9 of the Revised Statutes, as enacted by section 18 of chapter 401 of the public laws of 1969, is amended to read as follows:

A savings bank may make loans to individuals or corporations, to be secured by a first mortgage of real estate located in any of the New England states, or located anywhere if the loan is authorized under paragraph C, ~~or~~ D or H, upon the following conditions and within the following limitations:

Sec. 2. R. S., T. 9, § 561, sub-§ 1, ¶ E, amended. Paragraph E of subsection 1 of section 561 of Title 9 of the Revised Statutes, as enacted by section 18 of chapter 401 of the public laws of 1969, is amended to read as follows:

E. No savings bank shall have more than ~~75%~~ 80% of its deposits invested in real estate mortgages; except that it may invest more than ~~75%~~ 80% of its deposits in real estate mortgages so long as the amount in excess of ~~75%~~ 80% is invested in real estate mortgages that are insured or guaranteed, in any manner, in part or in full, by the United States or any instrumentality thereof or by this State or any instrumentality thereof, or insured by a mortgage guaranty insurer in the manner provided by subsection H, or for which there is a commitment to so insure or guarantee.

STATEMENT OF FACT

Savings banks are allowed to make, buy or sell a loan anywhere if the loans are guaranteed by the United States, the State of Maine or the Federal Housing Administration. This amendment would extend this permission to loans provided that at least the top 20% of the loan is guaranteed by an insurer licensed to do business in Maine.

The second section of the bill allows savings banks to invest up to 80% of their deposits in real estate mortgages and allows them to invest in real estate mortgages where at least 20% of the loan is guaranteed by an insurer licensed to do business in Maine.