

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)

New Draft of: H. P. 1686, L. D. 2079

(New Title)

FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2450

H. P. 1918

House of Representatives, January 24, 1974

Reported by Mr. Donaghy from the Committee on Business Legislation
and printed under Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

AN ACT Clarifying Banking Laws.

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

Sec. 1. R. S., T. 9, § 571, repealed and replaced. Section 571 of Title 9 of the Revised Statutes, as enacted by section 3 of chapter 441 of the public laws of 1971, is repealed and the following enacted in place thereof:

§ 571. Federal funds transactions

A savings bank may lend to any member bank of the Federal Reserve System or to any trust company or trust and banking company incorporated under the authority of this State, deposits which it maintains with such member bank or company.

Sec. 2. R. S., T. 9, § 1042, amended. The 2nd sentence of section 1042 of Title 9 of the Revised Statutes is amended to read as follows:

Such record shall show that the making of such loans or investments ~~have been made with the approval of~~ **has been approved or ratified** by the directors or executive committee of said company and shall indicate such particulars respecting such loans and investments as the superintendent shall direct.

Sec. 3. R. S., T. 9, § 1132, amended. Section 1132 of Title 9 of the Revised Statutes, as amended by section 23 of chapter 323 of the public laws of 1965, is further amended by adding after the first sentence, the following new sentence:

The term "agent" as used in this section shall not be construed to include any person other than a person elected or appointed by the stockholders.

Sec. 4. R. S., T. 9, § 1832, sub-§ 9, repealed and replaced. Subsection 9 of section 1832 of Title 9 of the Revised Statutes, as enacted by section 7 of chapter 442 of the public laws of 1971, is repealed and the following enacted in place thereof:

9. Federal reserve funds. An association may loan to any bank which is a member of the Federal Reserve System or to any trust company or trust and banking company incorporated under the authority of this State, an amount not to exceed 5% of total assets for periods not to exceed 3 days.

STATEMENT OF FACT

The purpose of section 2 of the bill is to make clear that bank loans and investments do not necessarily have to be approved by the Board of Directors prior to the making of the same but may be ratified thereafter, as is common practice.

Section 3 of the bill defines the word "agent" to make clear that the restrictions as to loans to "agents" are to such as are elected or appointed by stockholders.

Sections 1 and 4 provide that savings banks and savings and loan associations may lend deposits not only to member banks of the Federal Reserve System but also to other Maine trust companies.