

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 614

H. P. 484

House of Representatives, February 16, 1979

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

EDWIN H. PERT, Clerk

Presented by Mr. Sprowl of Hope.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Relating to Guaranty Fund Requirements for Credit Unions.

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

Sec. 1. 9-B MRSA § 832, sub-§ 2, ¶¶ A and B, as enacted by PL 1975, c. 500, § 1, are repealed and the following enacted in their place:

A. 10% of gross income until the guaranty fund shall equal 4% of the total outstanding loans and risk assets of the credit union and then 5% of the gross income until the guaranty fund shall equal 6% of the total outstanding loans and risk assets for credit unions in operation more than 4 years and having assets of \$500,000 or more; and then

B. 10% of gross income until the guaranty fund shall equal 7% of the total outstanding loans and risk assets of the credit union and then 5% of the gross income until the guaranty fund shall equal 10% of the total outstanding loans and risk assets for credit unions in operation less than 4 years or having assets of less than \$500,000.

Sec. 2. 9-B MRSA § 832, sub-§ 3, as enacted by PL 1975, c. 500, § 1, is repealed and the following enacted in its place:

3. Restoration of fund. Whenever the guaranty fund shall fall below the requirements of subsection 2, it shall be replenished by regular contributions in such amounts as required by subsection 2.

STATEMENT OF FACT

This bill places the reserve requirements for credit unions which have been in operation more than 4 years and have assets of \$500,000 or more on a par with federal credit unions, thus eliminating a competitive disadvantage.