

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 615

H. P. 485

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 Lines of Credit Authority of Credit Unions.

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

Sec. 1. **9-B MRSA § 857**, as enacted by PL 1975, c. 500, § 1, is repealed.

Sec. 2. **9-B MRSA § 857-A** is enacted to read:

§ 857-A. Lines of credit

1. **Authorization; limitations.** Subject to the limitations set forth in section 853, the credit committee of a credit union may approve a line of credit to a member upon written application by the member, and advances may be made to that member within the limits of that extension of credit. A line of credit given pursuant to this section shall expire no later than 12 months after its approval unless renewed in the same manner in which it was originally given, but no additional loan applications shall be required from the member so long as the aggregate obligation outstanding at any time does not exceed the specified limit of that extension of credit.

2. **Repayment.** Repayment of advances made pursuant to a line of credit shall be on such terms as shall be mutually agreed upon by the member and the credit union.

STATEMENT OF FACT

This bill consolidates the provisions of section 857, subsections 1 and 4 and eliminates the present subsection 2 which may prevent state-chartered credit unions from participating in credit card programs.