

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-223)

COMMITTEE AMENDMENT "A" to S.P. 450, L.D. 1413, Bill,
"AN ACT to Amend Financial Institutions and Credit Union Laws."

Amend the Bill by striking out all of section 6.

Further amend the Bill by inserting after section 5 the following:

'Sec. 6. 9-B MRSA §317, sub-§1, first sentence, as enacted by PL 1975, c. 500, §1, is amended to read:

Unless another manner for election is provided by the bylaws, the board of directors ~~shall~~ may elect annually, from its members, a chairman and ~~shall~~ shall elect annually, from its members or otherwise, a president, one or more vice presidents, a clerk or secretary, a treasurer and such other officers as it may deem advisable. In the event the bylaws do not provide for the election of a chairman or the board of directors does not elect a chairman, the president shall serve as ex officio chairman.'

Further amend the Bill in section 10 in subsection 7 by striking out all of paragraph B and inserting in its place the following:

'B. In determining the amount, and in addition to the persons or parties described in paragraph A who are original promisors, every person, firm, syndicate or corporation appearing on any loan as endorser, guarantor or surety shall also be regarded as an original promisor. where all original promisors are excused from personal liability

for repayment of a loan, then a lessee whose lease is taken by assignment by the savings bank as security therefor shall be regarded as an original promisor, but only to a fraction of the applicable loan, the fraction being the amount of annual basic rent payable by the lessee over the annual gross income produced by the security.'

Further amend the Bill in section 10 in subsection 7, paragraph C by striking out all of subparagraph (3) and inserting in its place the following:

' (3) Any loan or loans to the extent that they are secured or covered by guarantees or by commitments or agreements to take over or purchase the same, made by any Federal Reserve Bank or by the United States or State of Maine or any department, bureau, board, commission, agency, authority, instrumentality or establishment of the United States or State of Maine, including any corporation owned directly or indirectly by the United States or State of Maine; any loan or loans to the extent that they are participated out by a savings bank according to law; and any loan or loans by a savings bank to the extent that they are legally committed to be purchased by any financial institution, corporation or other business entity or governmental department, authority or agency duly authorized by any federal law or state law of the United States of America;'

Further amend the Bill in section 10 in subsection 7, paragraph C by striking out all of subparagraphs (5) and (6) and inserting in their place the following:

- '(5) Sales of federal funds, interbank deposits and clearings;
(6) Loans to the extent secured by deposits or the cash surrender value of a life insurance policy; and
(7) With respect to any loan or loans where an original promisor, as defined in this subsection, is excused from personal liability for repayment of the loan, then the loan shall not be charged against the original promisor in making the computation under paragraph A.'

Statement of Fact

This amendment deletes section 6 of the bill to conform with other legislation enacted this session. It also clarifies ambiguities in section 10 of the bill. The amendment also permits the president of a stock company to serve as ex officio chairman of the board of directors when that institution's bylaws do not provide for the election of a chairman.

Reported by the Committee on Business Legislation.

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