

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 321

6  
7 H.P. 261

House of Representatives, January 31, 1983

8 Reference to the Committee on Business Legislation, sent up for  
9 concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Mitchell of Vassalboro.

Cosponsors: Representative Racine of Biddeford, Senator Diamond of  
11 Cumberland and Senator Gill of Cumberland.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Amend Maine's Laws Relating  
18 to Credit Unions.  
19

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

22 Sec. 1. 9-B MRSA §812, sub-§1, as enacted by PL  
23 1975, c. 500, §1, is amended to read:

24 1. Organizers. Any number of persons, but not  
25 less than 10, all of whom shall be residents of this  
26 State, may apply in writing to the superintendent for  
27 permission to organize a credit union for the purpose  
28 of promoting thrift among its members and creating a  
29 source of credit for them, at legitimate rates of  
30 interest, for provident and productive purposes pur-  
31 poses of encouraging thrift among its members, creat-  
32 ing a source of credit at legitimate rates of inter-  
33 est and providing an opportunity for its members to  
34 use and control their own money on a democratic basis

1 in order to improve their economic and social condi-  
2 tion.

3       Sec. 2. 9-B MRSA §827, as enacted by PL 1975, c.  
4 500, §1, is repealed and the following enacted in its  
5 place:

6 §827. Deposits

7       1. Receipt of savings. A credit union may receive  
8 savings of its members in payment for shares, Christ-  
9 mas clubs, special purpose clubs, tax clubs, deposit  
10 accounts and the like.

11       2. Receipt of payments from government agencies.  
12 A credit union may act as fiscal agent for and  
13 receive payments on shares and deposits from the Fed-  
14 eral Government, this State or any agency or polit-  
15 ical subdivision.

16       Sec. 3. 9-B MRSA §831, sub-§1, ¶B, as enacted by  
17 PL 1975, c. 500, §1, is amended to read:

18       B. The par value of such shares may be estab-  
19 lished by the credit union in its charter bylaws,  
20 in an amount not less than \$5 ~~nor more than \$25~~  
21 per share~~7~~, provided that par values in excess of  
22 \$5 per share shall be in multiples of \$5.

23       Sec. 4. 9-B MRSA §842, sub-§2, ¶¶K and L, as  
24 enacted by PL 1975, c. 500, §1, are amended to read:

25       K. To appoint a credit committee of not less  
26 than 3 members, or appoint one or more loan offi-  
27 cers in lieu of a credit committee;

28       L. To appoint an executive committee, when the  
29 bylaws so provide, consisting of not less than 3  
30 members of the board with authority to invest  
31 funds or borrow in the name of the credit union,  
32 except that the board may designate a qualified  
33 individual to have charge of making investments  
34 under conditions established by the board;

35       Sec. 5. 9-B MRSA §843, sub-§1, ¶A, as enacted by  
36 PL 1975, c. 500, §1, is amended to read:

1       A. The directors, at their first meeting after  
2       the annual meeting of the members, shall elect  
3       from their own number a president, one or more  
4       vice presidents, a clerk, a treasurer and such  
5       other officers as may be necessary for the trans-  
6       action of the business of the credit union the  
7       board officers specified in the bylaws. The offi-  
8       ces of clerk and treasurer may be held by the  
9       same person.

10       Sec. 6. 9-B MRSA §846, sub-§1, as enacted by PL  
11       1975, c. 500, §1, is amended to read:

12       1. Time and notice. The annual meeting of the  
13       members of a credit union shall be held at such time  
14       and place as the board of directors may determine,  
15       but not later than 60 180 days after the close of the  
16       fiscal year. Special meetings may be called at any  
17       time by a majority of the directors, and shall be  
18       called by the clerk upon written application of 10 or  
19       more members entitled to vote. Notice of all meet-  
20       ings of the members shall be given in the manner pre-  
21       scribed in the bylaws.

22       Sec. 7. 9-B MRSA §853, as amended by PL 1975, c.  
23       666, §29, is repealed.

24       Sec. 8. 9-B MRSA §854, as enacted by PL 1975, c.  
25       500, §1, is repealed and the following enacted in its  
26       place:

27       §854. Loans

28       1. Authorization; limitations. It shall be the  
29       duty of the board of directors to establish the poli-  
30       cies of the credit union with respect to the granting  
31       of loans and the extending of lines of credit,  
32       including the maximum amount which may be loaned to  
33       any one member. No loan may be made to any member in  
34       an aggregate amount in excess of 10% of the credit  
35       union's total assets.

36       2. Exception. Loans fully secured by a pledge of  
37       shares of a credit union may be made without limita-  
38       tion as to amount.

Sec. 9. 9-B MRSA §862, sub-§2, as amended by PL 1979, c. 429, §13, is further amended to read:

2. Legal investments for savings banks. Bonds, notes, bills or other obligations, direct or indirect, of the United States or of any state or political subdivision thereof, or bankers' acceptances; provided that such are, at the time of purchase by the credit union, legal investments for savings banks in this State pursuant to section 532, subsections 3 and 4; section 552; section 553, subsections 1 and 2; section 554, subsection 1, paragraph A; or section 555, subsection 3; **and**

Sec. 10. 9-B MRSA §862, sub-§3, as enacted by PL 1975, c. 500, §1, is amended to read:

3. Notes of liquidating credit union; limitation. The purchase of notes from a liquidating credit union; provided that such purchase shall not exceed 5% of the purchasing credit union's share capital and surplus; and

Sec. 11. 9-B MRSA §862, sub-§4 is enacted to read:

4. Sale of assets. A credit union may discount or sell any of its assets, subject to the approval of the superintendent.

## STATEMENT OF FACT

The purpose of this bill is to bring the state law dealing with credit unions into conformity with federal law.

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