

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)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

(New Draft of H.P. 948, L.D. 1229)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document No. 1620

H.P. 1226 House of Representatives, May 17, 1983

Reported by Representative Brannigan from the Committee on Business Legislation and printed under Joint Rule 2.

Original bill presented by Representative Mitchell of Vassalboro. Cosponsored by Representative Racine of Biddeford and Senator Gill of Cumberland.

EDWIN H. PERT, Clerk

STATE OF MAINE

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

AN ACT to Authorize Out-of-state Credit Unions to Conduct Business in this State.

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

Sec. 1. 9-B MRSA §816 is enacted to read:

§816. Out-of-state credit unions

1. Approval and findings of superintendent. A credit union organized in another state may establish a branch office as a credit union in this State with the approval of the superintendent. The superintendent shall find that the out-of-state credit union:

A. Is a credit union organized under laws similar to this Part;

1 B. Has received prior approval from its state of
2 organization to establish a branch office in this
3 State;

4 C. Has adequate financial resources;

5 D. Has share insurance comparable to that re-
6 quired for credit unions incorporated under this
7 Part;

8 E. Is effectively examined and supervised by the
9 supervisory authority of the state in which it is
10 organized; and

11 F. Needs to conduct business in this State to
12 adequately serve its members in this State.

13 The superintendent shall further determine that Maine
14 credit unions are allowed to do business in the other
15 state under conditions similar to these provisions.

16 2. Conditions. The out-of-state credit union
17 shall agree to:

18 A. Grant loans at rates not in excess of the
19 rates permitted for credit unions incorporated
20 under this Part;

21 B. Comply with the same consumer protection
22 provisions that credit unions incorporated under
23 this Part must obey;

24 C. Be subject to examination by regulatory
25 authorities in this State; and

26 D. Designate and maintain an agent for the ser-
27 vice of process in this State.

28 3. Other actions. The superintendent may take
29 such reasonable steps as are necessary to insure that
30 the supervisory authority of the state in which the
31 credit union is organized adequately examines and
32 otherwise regulates the credit union. The superinten-
33 dent may request the other state supervising author-
34 ity to disclose the findings of any such examination.

35 Sec. 2. 9-B MRSA §826, as repealed and replaced
36 by PL 1975, c. 666, §28, is amended to read:

1 §826. Branch offices and office relocations

2 Subject to the prior written approval of the
3 superintendent, a credit union may establish branches
4 and facilities or change the location of an office,
5 as authorized in chapter 33, ~~at any location within~~
6 ~~this State~~, provided that such branches or facilities
7 of a credit union shall meet the needs and conven-
8 ience of the credit union's common bond members.
9 Applications pursuant to this section for the reloca-
10 tion of a main office or for the establishment,
11 moving or closing of a branch office or facility
12 shall comply with the requirements of section 336,
13 ~~except that the fee schedule established by the~~
14 ~~superintendent for applications under this section~~
15 ~~shall in no instance exceed \$100 for a single appli-~~
16 ~~cation.~~

17 STATEMENT OF FACT

18 This new draft, like the original bill, allows
19 out-of-state credit unions to operate in Maine where
20 its home state affords Maine credit unions similar
21 opportunities. The requirement that all members of a
22 credit union have a common bond is not removed.

23 The new draft provides the Superintendent of
24 Banking with greater authority to supervise both the
25 operation of out-of-state credit unions in Maine and
26 Maine credit unions electing to branch outside the
27 State.

28 The last sentence of Title 9-B, section 826, is
29 amended to allow the superintendent to determine fees
30 in the same manner as is set forth for other finan-
31 cial institutions in section 336.

32 3714050583