

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 1817

H.P. 1394 House of Representatives, January 4, 1984

Reference to the Committee on Business Legislation. Ordered printed and sent up for concurrence.

Approved for introduction by the Legislative Council pursuant to Joint Rule 26.

EDWIN H. PERT, Clerk

Presented by Representative Murray of Bangor.

Cosponsor: Representative Stevens of Bangor.

STATE OF MAINE

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

AN ACT to Make Necessary Technical
Corrections to the Financial
Institution Conversion Process.

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

9B MRSA §342, sub-§3, as enacted by PL 1975, c. 500, §1, is amended to read:

3. Thrift institution to federal association. A savings bank or savings and loan association organized under the laws of this State may convert to a Federal institution pursuant to section 5 of the Home Owners' Loan Act of 1933, as amended, in the following manner:

A. At an annual meeting, or a special meeting called for that purpose, 51% or more of the votes of members, corporators or shareholders present

1 and voting must approve such conversion. Notice
2 of such meeting shall be mailed to each member,
3 corporator or shareholder not less than 20 nor
4 more than 30 days prior to such meeting at his
5 last known address as shown on the books of the
6 institution.

7 B. Within 10 days after such meeting, a copy of
8 the minutes of such meeting, verified by affida-
9 vit of the clerk or secretary, shall be filed
10 with the superintendent, and when so filed shall
11 be presumptive evidence of the holding and action
12 of such meeting.

13 C. Within 3 months after the date of such meet-
14 ing, the institution shall take such action in
15 the manner prescribed and authorized by the laws
16 of the United States as shall make it a federal
17 ~~savings and loan~~ association.

18 D. Upon the grant to an institution of a charter
19 by the Federal Home Loan Bank Board, the institu-
20 tion receiving such charter shall cease to be an
21 institution organized pursuant to this Title and
22 shall no longer be subject to supervision and
23 regulation by the superintendent, except as au-
24 thorized under federal law or regulations or as
25 otherwise provided herein.

26 E. A copy of the charter issued to such federal
27 ~~savings and loan~~ association by the Federal Home
28 Loan Bank Board, or a certificate showing the or-
29 ganization of such institution as a federal asso-
30 ciation, certified by the secretary or assistant
31 secretary of the Federal Home Loan Bank, shall be
32 filed immediately with the superintendent and
33 with the Secretary of State. The superintendent
34 shall notify the Secretary of State that such
35 conversion has been effected.

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STATEMENT OF FACT

2 This bill amends a section of the banking code
3 which provides for conversion from a state-chartered
4 thrift institution to a federally-chartered thrift
5 institution. When the banking code was enacted, the
6 only type of federally-chartered thrift institution
7 was a federal savings and loan association. Recent-
8 ly, Congress created a new type of federal thrift, a
9 federal savings bank. This bill makes a technical
10 correction which is necessary to reflect the recent
11 federal changes. Under the existing law, a state-
12 chartered thrift could not change directly into a
13 federal savings bank but would have to go through a
14 2-step conversion process, including 2 applications
15 to change from a state-chartered thrift, savings bank
16 or savings and loan association, first to a federal
17 savings and loan association and then to a federal
18 savings bank.

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