

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 1731

6 H.P. 1224

House of Representatives, December 26, 1985

7 Submitted by the Department of Business, Occupational and Professional  
8 Regulation pursuant to Joint Rule 24.

9 Received by the Clerk of the House on December 26, 1985. Referred to  
10 the Committee on Business and Commerce and 1,600 ordered printed  
pursuant to Joint Rule 14.

EDWIN H. PERT, Clerk

Presented by Representative Aliberti of Lewiston.

11 Cosponsored by Representative Stevens of Bangor, Senator Sewall of  
Lincoln and Representative Murray of Bangor.

12 STATE OF MAINE  
13

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

17 AN ACT to Clarify the Confidentiality  
18 Provisions of the Maine Banking Code.  
19

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

22 Sec. 1. 9-B MRSA §161, sub-§1, ¶B, as enacted by  
23 PL 1977, c. 416, is amended to read:

24 B. "Financial records" means any original or any  
25 copy of:

26 (1) A document granting signature authority  
27 over a deposit, deposit-like or share ac-  
28 count;

29 (2) A statement, ledger card or other  
30 record of any deposit ~~or~~, deposit-like,  
31 share or loan account, which shows each  
32 transaction in or with respect to that ac-  
33 count;

1 (3) A check, clear draft or money order  
2 drawn on an institution or issued and pay-  
3 able by an institution; or

4 (4) Any item, other than an institutional  
5 or periodic charge, made pursuant to any  
6 agreement by an institution and a person  
7 which constitutes a debit or credit to that  
8 person's deposit ~~or~~, deposit-like, share or  
9 loan account, including charges made through  
10 the use of credit cards as authorized by  
11 section 444, if the item is not included in  
12 subparagraph (3).

13 Sec. 2. 9-B MRSA §572, as enacted by PL 1975, c.  
14 500, §1, is amended to read:

15 §572. Use of the word "saving"

16 ~~No~~ Without the prior written approval of the bank  
17 superintendent, no person, partnership, association,  
18 or corporation, bank or trust company, except a sav-  
19 ings bank organized under the laws of authorized to  
20 do business in this State, shall may use as part of  
21 its name or title the word or words "saving", "sav-  
22 ings", or "savings bank"; except that loan and build-  
23 ing associations legally organized under the laws of  
24 this State may use the name or style "savings and  
25 loan association"; provided that in all written uses  
26 of the name or style "savings and loan association",  
27 a loan and building association shall give equal em-  
28 phasis to the word "savings" and the word "loan".  
29 This restriction shall not apply to any business be-  
30 ing conducted under such name or style prior to the  
31 23rd day of April, 1905, nor to any bank or trust  
32 company using such word or words prior to the first  
33 day of January, 1929.

34 Sec. 3. 9-B MRSA §673, as amended by PL 1979, c.  
35 429, §11, is further amended to read:

36 §673. Use of word "bank"

37 ~~No~~ Without the prior written approval of the  
38 bank superintendent, no person, unless duly autho-  
39 rized under the laws of this State or the United  
40 States to conduct the business of a bank or trust

1 company, ~~shall~~ may use as a part of the name or title  
2 under which such business is conducted or as designating  
3 such business, the word or words "bank",  
4 "banker", "trust company", "banking" or "trust and  
5 banking company" or the plural of any such word or  
6 words, or any abbreviation thereof in or in connection  
7 with any other business than that of a bank or  
8 trust company duly authorized as aforesaid. This restriction  
9 shall not apply to any such person conducting  
10 business under such name or style prior to the  
11 23rd day of April, 1905. This section shall not apply  
12 to out-of-state banks, corporations, partnerships,  
13 etc., which in the ordinary course of their  
14 business have to file with the Secretary of State,  
15 Corporation Records Division, in processing the routine  
16 disposition of assets acquired by legitimate  
17 business dealings, or to these organizations providing  
18 services to financial institutions or credit unions  
19 authorized to do business in Maine, provided  
20 these organizations obtain the prior written approval  
21 of the superintendent to allow the filing with the  
22 Secretary of State.

23 Sec. 4. 9-B MRSA §882, as enacted by PL 1975, c.  
24 500, §1, is amended to read:

25 §882. Use of name "credit union"

26 No person, partnership or association and no corporation,  
27 except one incorporated under this Part or the corresponding  
28 provisions of earlier laws, ~~shall~~  
29 may receive payments on shares from its members and  
30 loan such payments on shares and transact business  
31 under any name or title containing the words "credit  
32 union" without the prior written approval of the bank  
33 superintendent or unless organized under provisions  
34 of federal law. Whoever violates any provision of  
35 this section shall be punished by a fine of not more  
36 than \$1,000, and the Superior Court shall have jurisdiction  
37 to grant appropriate equitable relief to enforce  
38 this section.

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STATEMENT OF FACT

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From time to time, occasions arise whereby a financial institution chartered under the laws of another state desires to register with the Secretary of State in order to conduct a lending business. By registering with the Secretary of State, a registered agent residing in this State is on record and the Maine public has access to this person for business questions and problems. Under present laws, these financial institutions are prohibited from registering and can conduct a lending business without benefit of registration and the public has little recourse.

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The requirement of obtaining the bank superintendent's prior written approval provides for a review prior to granting the request.

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In the case of federally-chartered credit unions, they have the authority to branch anywhere and several operate branches in this State. The bill proposes to clearly authorize the bank superintendent to authorize the registration of a logo, trademark, etc., in this State.

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The Maine Revised Statutes, Title 9-B, chapter 16, generally prohibits financial institutions from disclosing the financial records of its customers. The statutory definition of financial records does not include records relative to loans or deposit-like instruments or repurchase agreements. This bill expands that definition to include loans and deposit-like instruments and provides the statutory language to assure that all customer relationships be kept on a confidential basis.

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