

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 861

H.P. 601

House of Representatives, February 27, 1991

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MAYO of Thomaston.

Cosponsored by Representative ERWIN of Rumford, Representative STEVENS of Sabattus and Senator CONLEY of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

**An Act to Repeal the Restriction on Investments in Loans Secured by
First Mortgages on Real Estate by State-chartered Credit Unions.**



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

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9-B MRSA §855, sub-§3, as repealed and replaced by PL 1985,
c. 94, is repealed.

STATEMENT OF FACT

Federal-chartered credit unions have no restrictions on the percentage of their share capital and surplus that may be invested in loans secured by first mortgages on real estate. Under current law, state-chartered credit unions are restricted to an investment, in such loans, of 35% of their share capital and surplus. Repeal of the Maine Revised Statutes, Title 9-B, section 855, subsection 3 eliminates this restriction and allows state-chartered credit unions to compete on an equal basis with federal-chartered credit unions.