

# MAINE STATE LEGISLATURE

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L.D. 389

(Filing No. H- 131 )

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 301, L.D. 389, Bill, "An Act to Amend the Laws Relating to Financial Institution Service Corporations"

Amend the bill by inserting at the end before the statement of fact the following:

Sec. 2. 9-B MRSA §864, sub-§§1 and 2, as enacted by PL 1975, c. 500, §1, are repealed and the following enacted in their place:

1. Authorization. A credit union may invest, individually or with other credit unions or other entities, in service corporations as defined in section 131.

2. Limitations. A credit union may invest 10% of its share capital and surplus in any service corporation only if:

A. The service corporation is structured as either a corporation or limited partnership, in order to limit the credit union's exposure to loss; and

B. The service corporation primarily serves credit unions and the membership of affiliated credit unions.

The superintendent may approve an amount less than or in excess of 10%, subject to such terms and conditions as the superintendent determines necessary.

Sec. 3. 9-B MRSA §864, sub-§3, as enacted by PL 1975, c. 500, §1, is amended to read:

**COMMITTEE AMENDMENT**

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2 3. **Applicability of section 445.** A credit union or credit  
4 unions seeking to organize as or invest in a service corporation  
6 shall do so in accordance with the provisions of section 445 only  
8 if the controlling interest in the service corporation is owned  
10 by credit unions authorized to do business in this State.

8 **FISCAL NOTE**

10 The Bureau of Banking will incur some minor additional costs  
12 to raise or lower the 10% limit on the investment that a  
14 state-chartered credit union may make in a credit union service  
16 organization and to adopt rules that will allow service  
18 corporations owned by state-chartered credit unions to engage in  
20 certain activities. These costs can be absorbed within the  
22 bureau's existing budgeted resources.'

20 **STATEMENT OF FACT**

22 This amendment permits persons, other than credit unions  
24 authorized to do business in this State, to invest in credit  
26 union service organizations. It requires that credit unions  
28 retain a controlling interest in the credit union service  
30 organization. It places a 10% limit on the investment that a  
32 state-chartered credit union may make in a credit union service  
organization. That limit may be raised or lowered at the  
discretion of the Superintendent of Banking.

The amendment also adds a fiscal note to the bill.

Reported by the Committee on Banking and Insurance  
Reproduced and distributed under the direction of the Clerk of the  
House  
April 6, 1993 (Filing No. H-131)