

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 600

S.P. 235

In Senate, February 22, 1995

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### An Act to Clarify Credit Union Common Bond Requirements.

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

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS  
Secretary of the Senate

Presented by Senator KIEFFER of Aroostook.

Cosponsored by Senator: CAREY of Kennebec, Representatives: CAMERON of Rumford, CARLETON of Wells, DONNELLY of Presque Isle, GIERINGER of Portland, HEINO of Boothbay, KNEELAND of Easton, LOVETT of Scarborough, MAYO of Bath, NADEAU of Saco, RICE of South Bristol, SPEAR of Nobleboro.

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

4 **Sec. 1. 9-B MRSA §253, sub-§2, ¶¶F and G,** as enacted by PL 1975, c. 500, §1, are amended to read:

6 F. The likely impact of the proposed transaction on other  
7 financial institutions in the market area or areas to be  
8 served; and

10 G. The fairness and equities involved in any merger,  
11 consolidation, conversion or acquisition; and

12 **Sec. 2. 9-B MRSA §253, sub-§2, ¶H** is enacted to read:

14 H. In the case of an application by a credit union,  
15 supporting evidence provided by the applicant that the  
16 common bond requirements defined in section 812, subsection  
17 4, paragraph B, subparagraph (2) and section 814, subsection  
18 1 are satisfied.

20 **Sec. 3. 9-B MRSA §814, sub-§1, ¶A** is enacted to read:

22 A. The superintendent may not authorize common bond  
23 combinations among the distinct fields of membership  
24 described in this subsection. The Bureau of Banking shall  
25 include in its regular supervisory examinations of credit  
26 unions tests for compliance with a credit union's common  
27 bond and field of membership as defined in this subsection.

30 **STATEMENT OF FACT**

32  
33 This bill requires the Superintendent of Insurance to review  
34 the supporting evidence provided by a credit union proving there  
35 is in fact a common bond as required in the Maine Revised  
36 Statutes, Title 9-B, section 814 when originally defining its  
37 field of membership and when seeking to expand that field of  
38 membership.

40 This bill also clarifies that the Legislature did not intend  
41 for multiple fields of membership for credit unions and requires  
42 the Bureau of Banking to examine state credit unions for  
compliance with their field of membership requirement.