

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 2152

S.P. 762

In Senate, April 5, 1999

An Act to Amend the Laws Governing Financial Institutions.

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DOUGLASS of Androscoggin.

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

2

Sec. 1. 9-B MRSA §161, sub-§2, ¶I, as amended by PL 1997, c. 453, §1, is further amended to read:

4

I. Any disclosure of records made pursuant to Title 22, section 16, 17, ~~3477~~ or 4314;

8

Sec. 2. 9-B MRSA §241, sub-§1, ¶A, as enacted by PL 1975, c. 500, §1, is amended to read:

10

A. The superintendent ~~shall--have~~ has the power to ~~promulgate~~ adopt rules and ~~regulations,~~ in accordance with section 251, defining, limiting or proscribing acts and practices ~~which that,~~ when engaged in by a financial institution authorized to do business in this State or its subsidiaries, by a credit union authorized to do business in this State or by a financial institution holding company or its subsidiaries, are deemed determined to be anticompetitive, unfair, deceptive, or otherwise injurious to the public interest.

12

Sec. 3. 9-B MRSA §241, sub-§4, as enacted by PL 1985, c. 311, §5, is amended to read:

24

4. Attorneys. Every financial institution authorized to do business in this State ~~which and every credit union authorized to do business in this State that~~ accepts an application for a residential mortgage loan for one to 4 residential units and ~~which that~~ requires that an attorney search the title of the subject real estate shall permit the prospective mortgagor to select a qualified attorney of ~~his-own~~ the mortgagor's choice to search the title of the subject real estate and certify that title to the institution or land title insurance company, ~~provided except~~ that the ~~financial~~ institution may require the prospective mortgagor's attorney to provide it with evidence of adequate liability insurance or land title insurance or such other written policy requirements as the ~~financial~~ institution may ~~deem~~ determine necessary to protect its interests, ~~provided that as long as,~~ if all ~~such~~ requirements are met by the attorney chosen by the mortgagor, no additional legal costs may not be assessed by the financial institution or credit union against the mortgagor for review of the title search or any other relevant title documents by the ~~financial~~ institution, its title company or attorney.

26

Every financial institution and credit union subject to this subsection shall provide written notice to the prospective mortgagor that ~~he~~ the mortgagor has the right to select a qualified attorney of ~~his-own~~ the mortgagor's choice for the

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2 performance of title work. The notice shall ~~must~~ inform the
3 prospective mortgagor that, if the attorney chosen by the
4 mortgagor meets the financial institution's requirements, ~~then no~~
5 additional fees may not be charged to the mortgagor for title
6 work. If the prospective mortgagor indicates on the written
7 notice that ~~he~~ the mortgagor does not wish to exercise ~~his~~ the
8 mortgagor's right to select an attorney, then the ~~financial~~
9 institution may recommend an attorney.

10 ~~Nothing in this~~ This subsection may not be construed to require
11 certification of title to a financial institution or credit union
12 if that institution does not so require, or to a land title
13 insurance company if that company does not so require.

14 Any violation of this section by a financial institution
15 authorized to do business in this State or credit union
16 authorized to do business in this State is an anticompetitive or
17 deceptive practice as defined in this chapter and subject to the
18 remedies provided in this chapter in addition to such other
19 remedies as may be provided otherwise by law.

22 **Sec. 4. 9-B MRSA §241, sub-§5**, as enacted by PL 1985, c. 561,
23 is amended to read:

24 **5. Availability of funds for items deposited.** With respect
25 to items deposited into an account, financial institutions
26 authorized to do business in this State and credit unions
27 authorized to do business in this State shall make those funds
28 available for withdrawal from that account within a reasonable
29 time. The superintendent may ~~premulgate~~ adopt rules setting
30 forth limitations and disclosure requirements governing funds
31 availability. For purposes of this section, account means a
32 checking account or any other transactional account, a savings
33 account or a time account. If a federal law or regulation
34 governing availability of funds is in effect, rules ~~premulgated~~
35 adopted under this subsection shall may not be ~~no~~ more
36 restrictive with respect to time periods in which funds must be
37 available for withdrawal than those federal laws or regulations.

40 **Sec. 5. 9-B MRSA §241, sub-§11**, as enacted by PL 1997, c. 315,
41 §13, is amended to read:

42 **11. Choice of insurance producer.** A financial institution
43 authorized to do business in this State or credit union
44 authorized to do business in this State, or a financial
45 institution holding company or an affiliate of a financial
46 institution holding company that is authorized to do business in
47 this State as insurance ~~agent or broker~~ producer under section
48 448, or pursuant to applicable federal law, and Title 24-A to
49 negotiate or sell insurance products to purchasers or borrowers
50

2 may not, in connection with the extension of credit, interfere
with a purchaser's or borrower's free choice of insurance agent
4 producer, consultant or company under applicable provisions
contained in Title 24-A.

6 Any violation of this subsection is an anticompetitive or
deceptive practice under this chapter and is subject to the
8 remedies provided in this chapter in addition to those remedies
otherwise provided by law.

10 This subsection does not apply to group health and group life
12 insurance to the extent authorized by Title 24-A, chapters 31 and
35 when the insured is enrolled in the insurance policy, credit
14 life and health insurance to the extent authorized by Title 24-A,
chapter 37, credit property insurance, credit involuntary
16 unemployment insurance, forced placed property insurance, a
vendor's single interest policy or any other insurance product as
18 determined by the Superintendent of Insurance.

20 **Sec. 6. 9-B MRSA §242, sub-§1**, as enacted by PL 1975, c. 500,
§1, is amended to read:

22 **1. Rules.** The superintendent shall ~~have~~ has authority to
24 ~~promulgate~~ adopt rules and ~~regulations~~, pursuant to section 251,
defining, limiting or proscribing advertising ~~of any kind~~ by a
26 financial institution authorized to business in this State, a
credit union authorized to business in this State, an association
28 of such ~~financial~~ institutions, or a financial institution
holding company, or representations made ~~thereby~~ by those
30 institutions, which that is false, misleading or deceptive.

32 **Sec. 7. 9-B MRSA §243, sub-§1**, as amended by PL 1997, c. 315,
§15, is further amended to read:

34 **1. Prohibition.** A financial institution authorized to do
36 business in this State or a credit union authorized to do
business in this State may not in any manner extend credit, lease
38 or sell property, or furnish any service, or fix or vary the
consideration for any of the foregoing on the condition,
40 agreement, requirement or understanding:

42 A. That the customer obtain some additional or other
credit, property or other service from such financial
44 institution other than a loan, discount, deposit or trust
service. This paragraph does not prohibit a tie-in
46 involving insurance products that is permitted under Title
24-A;

48 B. That the customer obtain some additional or other
50 credit, property, or service from a subsidiary of such

2 financial institution, a financial institution holding
company of such financial institution, or from any other
3 subsidiary of such financial institution holding company;

4
5 C. That the customer provide some additional or other
6 credit, property, or service to such financial institution,
7 other than those related to and usually provided in
8 connection with a loan, discount, deposit, or trust service;

9
10 D. That the customer provide some additional or other
11 credit, property or service to a subsidiary of such
12 financial institution, a financial institution holding
13 company of such financial institution, or from any other
14 subsidiary of such financial institution holding company; or

15
16 E. That the customer may not obtain some additional or
17 other credit, property, or service from a competitor of such
18 financial institution, a subsidiary of a competitor
19 financial institution, a financial institution holding
20 company of a competitor financial institution, or any other
21 subsidiary of such competitor financial institution holding
22 company, other than a condition or requirement that such
23 financial institution shall reasonably impose in a credit
24 transaction to assure the soundness of the credit.

25 **Sec. 8. 9-B MRSA §243-A, sub-§1**, as enacted by PL 1991, c.
26 680, §1, is amended to read:

27
28 **1. Fees for use of terminals.** A financial institution
29 authorized to do business in this State or a credit union
30 authorized to do business in this State that operates electronic
31 terminals may charge fees for the use of the terminals as
32 specified in this section.

33
34 A. A financial institution may charge a reasonable foreign
35 transaction fee for the use of an electronic terminal if the
36 fee is disclosed:

37
38 (1) On a sign posted on the electronic terminal or in
39 clear view of a customer while viewing the electronic
40 terminal; or

41
42 (2) Electronically during the course of the
43 transaction in a manner that permits a customer to
44 cancel the transaction without incurring the
45 transaction fee.

46
47 For the purposes of this paragraph, "foreign transaction
48 fee" means a fee charged for the use of an electronic

2 terminal to a noncustomer of the financial institution that
owns the electronic terminal.

4 B. A financial institution may charge its own customers a
reasonable fee for the use of an electronic terminal.

6
8 **Sec. 9. 9-B MRSA §243-A, sub-§3**, as amended by PL 1999, c. 25,
§1, is further amended to read:

10 **3. Agreement to share electronic terminals.** An agreement
to share electronic terminals may not prohibit, limit or restrict
12 the right of a financial institution authorized to do business in
this State or a credit union authorized to do business in this
14 State to charge a customer any fees allowed by state or federal
law, or require a financial institution to limit or waive its
16 rights or obligations under this section, except that a financial
institution or credit union authorized to do business in this
18 State may mutually agree with one or more other financial
institutions or credit unions not to charge foreign transaction
20 fees, as that term is defined in subsection 1, to the customers
or members of those financial institutions or credit unions that
22 are parties to the agreement.

24 **Sec. 10. 9-B MRSA §316-A, sub-§1**, as enacted by PL 1997, c.
398, Pt. C, §15, is amended to read:

26
28 **1. Number of directors.** The governing body of a financial
institution must consist of at least 5 directors, except that the
superintendent may approve fewer directors for good cause shown.

30
32 **Sec. 11. 9-B MRSA §332, sub-§2**, as amended by PL 1997, c. 398,
Pt. E, §1, is repealed.

34 **Sec. 12. 9-B MRSA §332, sub-§2-A** is enacted to read:

36 **2-A. Superintendent's approval.** A financial institution
may not establish a branch or agency office without the prior
38 approval of the superintendent.

40 A. For a branch being established in the State by a
financial institution, approval must be obtained pursuant to
42 section 336, except that a financial institution that meets
the minimum standards set forth in section 412-A or 832 and
44 any rules adopted pursuant to these sections and is not
under an enforcement action that requires the
46 superintendent's prior approval of a branch establishment
may establish a branch in this State without the prior
48 approval of the superintendent. If the superintendent's
approval is not required, the financial institution shall
50 inform the superintendent at least 10 days prior to the

2 proposed action. This notice must be accompanied by a
3 recording fee not to exceed \$100.

4 B. For a branch being established by a financial
5 institution outside of this State, but not in a foreign
6 country, approval must be obtained pursuant to chapter 37
7 and section 336.

8 C. For a branch being established by a financial
9 institution outside of this State and in a foreign country,
10 approval must be obtained pursuant to section 336.

11 **Sec. 13. 9-B MRSA §336, sub-§1**, as amended by PL 1997, c. 398,
12 Pt. E, §5, is further amended to read:

13 **1. Notification required; application upon request.** If the
14 superintendent's approval is required pursuant to section 332,
15 subsection 2 ~~2-A~~ or section 335, subsection 1, at least 30 days
16 prior to the relocation of a main office or the establishment,
17 moving or closing of a branch or agency office authorized by this
18 chapter, the institution shall notify the superintendent of the
19 proposed action. A complete application for the branch
20 establishment, moving or closing may be required only when the
21 superintendent requests that a complete application be filed.
22 Within 30 days of the notice, any interested person may request
23 that the superintendent require a complete application. If the
24 superintendent denies any interested person's request for a
25 complete application, the denial must be in writing with the
26 reasons for denial. The notification, or the application if
27 requested, must be filed with the superintendent in the form and
28 manner and containing information the superintendent may
29 prescribe. If no application is requested within the 30-day
30 period, the change is deemed approved. A fee must accompany the
31 notification in an amount established by the superintendent but
32 not to exceed 1/2 of the application fee.

33 **Sec. 14. 9-B MRSA §338, sub-§1**, as amended by PL 1997, c. 398,
34 Pt. E, §9, is further amended to read:

35 **1. Permissible operating hours.** A financial institution
36 authorized to do business in the State may permit any of its
37 branch offices, facilities, or walk-up or drive-up windows of its
38 main office or branch offices to remain open, or open for limited
39 functions only, during such hours as it may determine from time
40 to time. Any hours in which said branch office, facility, or
41 walk-up or drive-up window of its main office or branch office is
42 open for limited functions only after its main office is closed
43 are, with respect to such institution, ~~a--holiday--and~~ not
44 considered to be part of a business day.

2 **Sec. 15. 9-B MRSA §341, sub-§2**, as amended by PL 1997, c. 398,
Pt. F, §1, is further amended to read:

4 **2. Fees.** An application made pursuant to section 342,
6 subsection 1, ~~or 2 ex-6~~ or section ~~342-A~~, 343, 344, 345 or 345-A
8 may not be deemed considered complete by the superintendent
10 unless accompanied by an application fee payable to the Treasurer
12 of State to be credited and used as provided in section 214. The
amount of the fee must be established by the superintendent
according to different application requirements, but in no
instance may it exceed \$2,000.

14 **Sec. 16. 9-B MRSA §341, sub-§3**, as enacted by PL 1997, c. 398,
Pt. F, §1, is amended to read:

16 **3. Superintendent's approval.** Following approval by the
18 governing body for changes under section 342, ~~subsections~~
subsection 1, or 2 ex-6 or section ~~342-A~~, 343, 344 or 345, the
20 financial institution shall forward to the superintendent for
approval or disapproval, pursuant to the procedures and
22 requirements of section 252, a certified copy of the authorizing
resolution adopted by the governing body and such other
24 information as considered necessary by the superintendent. If
the superintendent disapproves the conversion plan, the
26 superintendent shall state the reasons for the disapproval in
writing and furnish them to the institution. The institution
28 must be given an opportunity to amend the conversion plan to
obviate the reasons for disapproval.

30 **Sec. 17. 9-B MRSA §342, sub-§1**, as amended by PL 1997, c. 398,
Pt. F, §2, is further amended by amending the first paragraph to
32 read:

34 **1. Federal savings bank or savings and loan to state**
36 **financial institution.** Any federal association or federal
savings bank may convert to a financial institution organized
38 under the laws of this State in the following manner. A federal
savings bank or savings and loan association converting to a
40 financial institution organized under the laws of this State may
continue to use the designation "Federal" or "FSB" or derivatives
42 of "Federal" or "FSB" in its corporate title, as long as the
converted federal savings bank or savings and loan association
44 also uses the designation "state association" or "S.A." in its
corporate title.

46 **Sec. 18. 9-B MRSA §342, sub-§2**, as amended by PL 1997, c. 398,
Pt. F, §2, is further amended to read:

48 **2. National bank to financial institution.** A national bank
50 may convert to a financial institution organized under the laws

2 of this State in the following manner. A national bank
3 converting to a financial institution organized under the laws of
4 this State may continue to use the designation "National" or "NA"
5 or derivatives of "National" or "NA" in its corporate title, as
6 long as the converted national bank also uses the designation
7 "state association" or "S.A." in its corporate title.

8 A. The national bank must comply with the conditions and
9 limitations imposed by the laws of the United States
10 governing the conversion.

12 B. The converting national bank may apply for a State
13 charter by filing with the superintendent an application
14 signed by its president and by a majority of its governing
15 body setting forth the corporate action taken in compliance
16 with the laws of the United States in paragraph A, and
17 affixing to the application the organizational documents
18 governing the bank as a financial institution.

20 D. The rights of dissenting investors of a converting
21 national bank are governed by federal law.

22 **Sec. 19. 9-B MRSA §364, sub-§1**, as amended by PL 1997, c. 398,
24 Pt. H, §3, is further amended to read:

26 1. **Application to court.** Whenever, in the opinion of the
27 superintendent and a majority of the governing body of any
28 financial institution or in the opinion of 3/4 of its depositors,
29 members or investors or more if required by the institution's
30 organizational documents, it is inexpedient for any reason for
31 the institution to continue the further prosecution of its
32 business, the governing body may join with the superintendent in
33 an application to the Superior Court for liquidation of the
34 affairs of the institution, or the depositors, members or
35 investors may file such an application with the concurrence of
36 the superintendent.

38 **Sec. 20. 9-B MRSA §427, sub-§7**, as enacted by PL 1975, c. 540,
39 §1, is amended to read:

40 7. **Transfer of deposit or account.** A depositor may
41 transfer, absolutely or conditionally, his that depositor's
42 deposit or account to any other person, subject to any provisions
43 affecting such deposit or account pursuant to this chapter or
44 Parts-5,-6-or-7, by a written assignment in a form approved by
45 the institution, accompanied by delivery of the evidence of the
46 deposit or account. Evidence of the deposit or account shall-mean
47 means the membership certificate, share certificate, account
48 book, passbook, or any other evidence of the deposit or account
49 which-may-have that has been issued in connection with such
50

2 deposit or account. Every such transfer of a deposit or account
3 ~~shall-be-deemed is considered~~ to include the deposit or account
4 and the evidence of the deposit or account issued in connection
5 ~~therewith with the deposit or account.~~ Ne--such An absolute
6 transfer ~~shall-be is not~~ effective against an institution until
7 such written assignment and the accompanying evidence of the
8 deposit or account ~~shall-be are~~ delivered to the institution with
9 a request that it complete such transfer upon its records. ~~Ne~~
10 ~~such A~~ conditional transfer ~~shall-be is not~~ effective against an
11 institution unless and until it actually receives notice ~~thereof~~
12 of the conditional transfer in writing.

13 **Sec. 21. 9-B MRSA §446-A, sub-§1, ¶¶A to F,** as enacted by PL
14 1997, c. 398, Pt. I, §35, are amended to read:

15 A. Before and immediately after the proposed transaction,
16 the ~~acquiring~~ financial institution is well capitalized as
17 determined by the superintendent;

18 B. At the time of the transaction, the ~~acquiring~~ financial
19 institution is well managed, which means that in connection
20 with the financial institution's most recent examination:

21 (1) The financial institution received a composite
22 rating of one or 2 pursuant to the uniform financial
23 institution rating system adopted by the Bureau of
24 Banking; and

25 (2) The financial institution received at least a
26 satisfactory rating for management;

27 C. The book value of the total assets to be acquired does
28 not exceed 15% of the consolidated total risk-weighted
29 assets of the ~~acquiring financial~~ institution;

30 D. The consideration to be paid for the securities or
31 assets to be acquired does not exceed 15% of the
32 consolidated capital of the ~~acquiring financial~~ institution;

33 E. During the 12-month period prior to the proposed
34 transaction, the ~~acquiring financial~~ institution has not
35 been under an enforcement action nor is there an enforcement
36 action pending;

37 F. The ~~acquiring financial~~ institution provides written
38 notification to the superintendent not later than 10
39 business days after consummating the transaction; and

40 **Sec. 22. 9-B MRSA §446-A, sub-§4** is enacted to read: .

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2 4. Application or notice fee. An application or notice
3 required under subsection 1 is not complete unless accompanied by
4 a fee to be credited and used as provided in section 214. The
5 superintendent shall establish the amount of the fee, which may
6 not exceed \$2,500.

7 **Sec. 23. 9-B MRSA §448, sub-§§1, 4 and 5,** as enacted by PL 1997,
8 c. 315, §17, are amended to read:

9 **1. Authorization.** A financial institution authorized to do
10 business in this State or credit union authorized to do business
11 in this State, or financial institution holding company, or an
12 affiliate of either, other than a licensed supervised lender
13 regulated under Title 9-A, Article IV, Part 4, may act as an
14 ~~agent,--broker~~ insurance producer or consultant in this State and
15 may employ, affiliate with or hire as a 3rd-party agent an
16 insurance ~~agent-or-agency,--broker~~ producer or consultant, if the
17 ~~agent,--agency,--broker~~ producer or consultant is duly licensed
18 under Title 24-A or ~~engage~~ engages in authorized insurance
19 activities in another state, if the ~~agent,--agency,--broker~~
20 producer or consultant complies with the applicable laws of that
21 state.

22 **4. Distinguishing insurance products from loan or deposit**
23 **products; identification of insurance producers.** To the extent
24 practicable, sales of insurance products authorized by this
25 section must take place in a manner that minimizes customer
26 confusion between the deposit, share or loan products offered by
27 the institution and those insurance products. An institution
28 authorized under subsection 1 is in compliance with this
29 subsection if it utilizes signs clearly visible to its customers
30 that distinguish its insurance products from its deposit, share
31 or loan products and that adequately identify insurance ~~agents,~~
32 ~~brokers~~ producers and consultants affiliated with the institution.

33 **5. Rulemaking.** The superintendent, Superintendent of
34 Insurance and the Director of the Office of Consumer Credit
35 Regulation are authorized, pursuant to this subsection, Title
36 9-A, section 4-407 and Title 24-A, section ~~1514-A~~ 1443-A,
37 subsection ~~5~~ 3 to undertake joint rulemaking to carry out the
38 purpose of subsection 4, including issues regarding signs, the
39 physical location of sales of insurance and identification of
40 ~~agents---and---brokers~~ producers affiliated with financial
41 institutions, credit unions, financial institution holding
42 companies or supervised lenders. In adopting rules pursuant to
43 this section, the superintendent, the Superintendent of Insurance
44 and the Director of the Office of Consumer Credit Regulation
45 shall consider the possibility of confusion and perception of
46 coercion among the insurance consuming public, the need for
47 cost-effective delivery of insurance products to insurance
48 consumers.

2 consumers and the importance of parity among ~~agents--and--brokers~~
3 producers affiliated with federally chartered and state-chartered
4 financial institutions and credit unions. Any rule adopted may
5 not interfere significantly with the ability of ~~an--agent--or~~
6 ~~broker~~ a producer to solicit or negotiate the sale of an
7 insurance product, whether or not that ~~agent--or--broker~~ producer
8 is affiliated with a financial institution, credit union,
9 financial institution holding company or supervised lender,
10 except when no other reasonable alternative exists to protect the
11 insurance consuming public. Rules adopted under this section are
12 routine technical rules pursuant to Title 5, chapter 375,
13 subchapter II-A. Nothing in this section is intended to restrict
14 or interfere with the ability of the bureau, the Bureau of
15 Insurance or the Office of Consumer Credit Regulation to adopt
16 rules with respect to areas in which the respective agencies have
independent jurisdiction.

18 **Sec. 24. 9-B MRSA §461**, as enacted by PL 1975, c. 500, §1, is
19 amended to read:

20

§461. Applicability of chapter

22

23 The provisions of this chapter setting forth acts and
24 practices ~~which that~~ are prohibited shall apply to all financial
25 institutions, savings banks, trust companies, savings and loan
26 associations, universal banks, limited purpose banks, credit
27 unions and financial institution holding companies subject to the
28 laws of this State and ~~shall--be~~ are in addition to the
29 prohibitions set forth elsewhere in this Title.

30

31 **Sec. 25. 9-B MRSA §814, sub-§1**, as amended by PL 1995, c. 101,
32 §§1 and 2, is further amended to read:

34

35 **1. Field of membership.** "Field of membership" of a credit
36 union means those persons having a common bond of occupation or
37 association; multiple groups of such persons, each group having a
38 common bond of occupation or association within that group;
39 residence or employment within a well-defined neighborhood,
40 community or rural district; employment by a common employer or
41 by employers located within a well-defined industrial park or
42 community; membership in a bona fide fraternal, religious,
43 cooperative, labor, rural, educational or similar organization;
44 and members of the immediate families of such persons.

44

45 A. When determining whether a credit union's proposed field
46 of membership meets the requirements of this section, the
47 superintendent shall consider all guidelines established by
48 the National Credit Union Administration that address the
issues of common bond, overlapping fields of membership,

2 expansions or conversions of field of membership and the
documentation required for amending a field of membership.

4 B. The superintendent shall provide notice to interested
6 parties of a bylaw amendment sought by a credit union that
proposes a change in field of membership.

8 **Sec. 26. 9-B MRSA §877**, as enacted by PL 1975, c. 666, §31,
is amended to read:

10 **§877. Fees for mergers, conversions and acquisitions**

12 No An application made pursuant to sections 872, 872-A, 873,
14 875 or 876 shall may not be deemed considered complete unless
16 accompanied by an application fee ~~of--\$200~~ payable to the
Treasurer of State to be credited and used as provided in section
18 214. The superintendent shall establish the amount of the
application fee, which may not exceed \$2,000.

20 **Sec. 27. 9-B MRSA §1015, sub-§5, ¶D** is enacted to read:

22 D. An application or notice required under this subsection
is not complete unless accompanied by a fee to be credited
24 and used as provided in section 214. The superintendent
shall establish the amount of the fee, which may not exceed
26 \$2,500.

28 **SUMMARY**

30 The bill corrects a cross-reference to the Department of
32 Human Services law that sets forth the requirements for mandatory
reporting of suspected elder and adult financial abuse. Banks
34 fall under the voluntary reporting provisions of Department of
Human Services law.

36 It clarifies that the Bureau of Banking's authority under
38 the Maine Revised Statutes, Title 9-B, chapter 24 extends to
credit unions authorized to do business in this State.

40 It changes references to insurance agent or broker to
42 insurance producer, a term codified last session in insurance
licensing laws.

44 It clarifies existing law. Current law states that a
46 financial institution must have 5 directors in its governing
body. The bill provides flexibility for the Superintendent of
48 Banking to approve fewer directors for good cause shown; this
change is consistent with the remainder of the law.

50

2 It repeals and replaces the current law that sets forth the
3 procedure for a bank to establish a new branch. The major change
4 to current law is that it sets forth a procedure for a Maine
5 chartered financial institution to obtain approval to establish a
6 branch in a foreign country consistent with the change made in
7 1997 that permits a bank from a foreign country to establish a
8 branch in Maine. It also clarifies the process for approval of
interstate branches that have been permitted by Maine law since
1997.

10

11 It removes outdated references to bank holidays in Maine
12 banking law.

14

15 It clarifies that applications for expedited conversions
16 from federal to state bank charters must be accompanied by a fee
17 of \$2,000, which is the same amount charged for a standard
18 charter application procedure. It further clarifies that there
is no application nor fee charged for conversion from a state to
federal charter as such transactions are governed by federal law.

20

21 It permits a federally chartered savings bank, savings and
22 loan association or national bank that converts its charter to a
23 state charter to retain its preconversion corporate title
24 including the use of the designation "federal," "FSB," "National"
or "NA" or derivatives of those designations, provided the
26 institution uses the designation "state association" or "S.A." in
its name.

28

29 It clarifies that an application by the depositors, members
30 or investors of an institution to liquidate the institution must
have the concurrence of the superintendent.

32

33 It removes a reference to Title 9-B, Parts 5, 6 and 7; those
34 parts were repealed in the last legislative session.

36

37 It makes technical changes to the law governing the process
38 for approval for a bank to engage, either directly or indirectly,
in a closely related activity, clarifying that a notice to the
Superintendent of Banking is required in all cases. It
40 establishes a fee of not more than \$2,500 to cover the cost of
reviewing a filing; the fee is consistent with other filings made
42 to the superintendent.

44

45 It clarifies the prohibitions set forth in Title 9-B,
chapter 46 apply to all financial institutions organized under
46 Maine law.

48

49 It makes a technical change to Title 9-B, section 814, which
governs the credit union field of membership. This change
50 clarifies that multiple common bond credit unions are permitted

2 under state law and, while the members of each group must share a
common bond of occupation or association, the groups themselves
are not required to share a common bond.

4

6 It changes the application fee for mergers, conversions and
acquisitions of a credit union from \$200 to \$2,000, consistent
with current law for chartering a credit union.