

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 429

H.P. 339

House of Representatives, February 1, 2001

An Act to Change the Name of the Bureau of Banking in Order to Accurately Reflect the Scope and Variety of Entities Regulated by the Bureau.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative O'NEIL of Saco.
Cosponsored by Senator DOUGLASS of Androscoggin and
Representatives: CANAVAN of Waterville, SULLIVAN of Biddeford, Senators:
ABROMSON of Cumberland, LaFOUNTAIN of York.

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

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Sec. 1. 9-A MRSA §1-301, sub-§2, as amended by PL 1995, c. 309, §5 and affected by §29, is further amended to read:

2. "Administrator" means, except in cases in which a supervised financial organization is the creditor, the administrator designated in Article VI, section 6-103. In cases in which a supervised financial organization is the creditor, "administrator" means the Superintendent of Banking Financial Institutions.

Sec. 2. 9-B MRSA §111, as amended by PL 1995, c. 309, §14 and affected by §29, is further amended to read:

§111. Declaration of policy

By enactment of this Title, it is declared to be the policy of the State of--Maine that the business of all financial institutions shall must be supervised by the Bureau of Banking Financial Institutions in a manner to assure ensure the strength, stability and efficiency of all financial institutions,; to assure ensure reasonable and orderly competition, thereby encouraging the development and expansion of financial services advantageous to the public welfare; and to maintain close cooperation with other supervisory authorities.

In addition, with respect to the Bureau of Banking's Financial Institutions' authority pursuant to Title 9-A, section 1-301, subsection 2, all financial institutions must be supervised in such a way as to protect consumers against unfair practices by financial institutions that provide consumer credit, to provide consumer education and to encourage the development of economically sound credit practices.

Sec. 3. 9-B MRSA §121, as amended by PL 1995, c. 309, §15 and affected by §29, is further amended to read:

§121. Bureau of Financial Institutions

There is created under this Title a Bureau of Banking Financial Institutions, which has the responsibility of administering the provisions of this Title. In addition, in cases in which a financial institution is the creditor, the Bureau of Banking Financial Institutions has the responsibility of administering the provisions of the Maine Consumer Credit Code pursuant to Title 9-A, section 1-301, subsection 2.

Sec. 4. 9-B MRSA §131, sub-§4, as enacted by PL 1975, c. 500, §1, is amended to read:

2 **4. Bureau.** "Bureau" means the Bureau of Banking Financial
3 Institutions.

4 **Sec. 5. 9-B MRSA §131, sub-§40,** as enacted by PL 1975, c. 500,
5 §1, is amended to read:

6 **40. Superintendent.** "Superintendent" means the
7 Superintendent of ~~the Bureau of Banking~~ Financial Institutions.

8 **Sec. 6. 9-B MRSA §161, sub-§1, ¶C,** as enacted by PL 1977, c.
9 416, is amended to read:

10 C. "Supervisory agency" means:

- 11 (1) The Federal Deposit Insurance Corporation;
- 12 (2) The Federal Savings and Loan Insurance Corporation;
- 13 (3) The Federal Home Loan Bank Board;
- 14 (4) The National Credit Union Administration;
- 15 (5) The Federal Reserve Board;
- 16 (6) The United States Comptroller of the Currency;
- 17 (7) The Maine Bureau of Banking Financial
18 Institutions; and
- 19 (8) The Maine Bureau of Consumer Protection.

20 **Sec. 7. 9-B MRSA §211, sub-§1,** as repealed and replaced by PL
21 1987, c. 769, Pt. A, §40, is amended to read:

22 **1. Appointment; term; qualifications.** The activities of
23 the bureau ~~shall be~~ are directed by a superintendent who ~~shall be~~
24 is appointed by the Governor and subject to review by the joint
25 standing committee of the Legislature having jurisdiction over
26 ~~banking and insurance~~ financial institutions and to confirmation
27 by the Legislature. The superintendent shall hold office for a
28 term of 5 years, or until ~~his~~ the superintendent's successor is
29 appointed and qualified. The superintendent may be removed from
30 office for cause by impeachment or by the Governor on the address
31 of both branches of the Legislature, and Title 5, section 931,
32 subsection 2, ~~shall~~ does not apply. Any A person appointed as
33 superintendent ~~shall~~ must have the knowledge of, or experience
34 in, the theory and practice of banking financial institutions.

35 **Sec. 8. 10 MRSA §1126, sub-§1,** as amended by PL 1995, c. 309,
36 §17 and affected by §29, is further amended to read:

2 **1. Certification.** A supervised lender or lessor, or any
4 trade organization or association acting on behalf of supervised
6 lenders or lessors, may submit any proposed form of agreement to
8 the Office of Consumer Credit Regulation or, in the case of forms
10 of agreement from supervised financial organizations, the Bureau
12 of Banking Financial Institutions. Within 45 days, the office or
14 bureau shall either certify the form as complying with the
16 requirements of section 1124 or refuse to certify the form as
18 complying, setting forth written reasons for its refusal.
Failure by the office or bureau to act under this section within
45 days is considered a certification of the form's compliance.
A certification of compliance under this section is an absolute
bar to any legal proceeding by the director or superintendent for
failure to comply with the requirements of section 1124.

Sec. 9. 10 MRSA §8001, sub-§1, as amended by PL 1995, c. 397,
§4, is further amended to read:

1. Bureau of Financial Institutions. Bureau of Banking
Financial Institutions;

Sec. 10. 10 MRSA §8003, sub-§5, as amended by PL 1999, c. 547,
Pt. B, §78 and affected by §80 and amended by c. 687, Pt. C, §7,
is further amended by amending the first paragraph to read:

5. Authority of bureaus, offices, boards or commissions.
In addition to authority otherwise conferred, unless expressly
precluded by language of denial in its own governing law, each
bureau, office, licensing board and commission within or
affiliated with the department may take one or more of the
following actions, except that this subsection does not apply to
the Bureau of Banking Financial Institutions.

Sec. 11. Maine Revised Statutes amended; revision clause.
Wherever in the Maine Revised Statutes the words "Bureau of
Banking" appear or reference is made to those words, they are
amended to read and mean "Bureau of Financial Institutions" and
wherever in the Maine Revised Statutes the words "Superintendent
of Banking" appear or reference is made to those words, they are
amended to read and mean "Superintendent of Financial
Institutions" and the Revisor of Statutes shall implement the
revisions when updating, publishing or republishing the statutes.

Sec. 12. Transition provisions. All existing supplies, forms,
letterheads and similar items bearing the name of or referring to
the Bureau of Banking or to the Superintendent of Banking may be
utilized by the Bureau of Financial Institutions or the
Superintendent of Financial Institutions until existing supplies
of these items are exhausted.

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SUMMARY

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The bill changes the name of the Bureau of Banking to the Bureau of Financial Institutions and the name of the Superintendent of Banking to the Superintendent of Financial Institutions.

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