

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 5-1-01

(Filing No. H-247)

BANKING AND INSURANCE

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1271, L.D. 1729, Bill, "An Act to Amend the Maine Banking Code"

Amend the bill by inserting after section 4 the following:

Sec. 5. 9-B MRSA §221, sub-§2, as repealed and replaced by PL 1995, c. 628, §11, is amended to read:

2. Exception. ~~Notwithstanding the requirements set forth in subsection 1~~ In satisfaction of the examination requirements of this section, the superintendent may accept the examination reports of other state, federal or foreign regulatory agencies as a method of satisfying such requirements in whole or in part.

Sec. 6. 9-B MRSA §221, sub-§§4 and 5 are enacted to read:

4. Affiliates. The superintendent may examine the affairs of the affiliates of a financial institution, other than a federally chartered financial institution, as necessary to fully disclose the relationship between the financial institution and its affiliates and the effect of those relationships on the affairs of the financial institution.

5. Service corporations. The superintendent may examine any service corporation established pursuant to section 445 or 864 or any bank service company established under the federal Bank Service Company Act that provides services to a financial

2 institution. Whenever a financial institution or any affiliate
4 other than a financial institution causes to be performed for
6 itself by contract or otherwise any services authorized for
8 service corporations under section 131, whether on or off
10 premises, such performance is subject to regulation and
12 examination of the superintendent as if such services were being
14 performed by the financial institution or affiliate itself on its
16 own premises.'

10 Further amend the bill by inserting after section 8 the
12 following:

14 'Sec. 9. 9-B MRSA §427, sub-§7, as amended by PL 1999, c. 218,
16 §20, is further amended to read:

16 7. **Transfer of deposit or account.** A depositor may
18 transfer, absolutely or conditionally, that depositor's deposit
20 or account to any other person, subject to any provisions
22 affecting such deposit or account pursuant to this chapter by a
24 written assignment in a form approved by the institution,
26 accompanied by delivery of the evidence of the deposit or
28 account. Evidence of the deposit or account means the membership
30 certificate, share certificate, account book, passbook or any
32 other evidence of the deposit or account that has been issued in
34 connection with such deposit or account. Every such transfer of a
36 deposit or account is considered to include the deposit or
38 account and the evidence of the deposit or account issued in
40 connection with the deposit or account. An absolute transfer is
42 not effective against an institution until such written
44 assignment and the accompanying evidence of the deposit or
46 account are delivered to the institution with a request that it
48 complete such transfer upon its records. A conditional transfer
50 is not effective against an institution unless and until it
actually receives notice of the conditional transfer in writing.

36 This subsection does not apply to the creation, perfection or
38 enforcement of a security interest in a deposit or account other
40 than an assignment of a deposit or account in a consumer
42 transaction as defined in Title 11, section 9-1102, subsection 26.

42 Sec. 10. 9-B MRSA §427, sub-§10, as amended by PL 1979, c.
44 540, §13, is further amended to read:

44 10. **Adverse claim to deposit or account.** Except as provided
46 in Title 11, section 4-405, and in Title 18-A, sections 6-107 and
48 6-112, notice to any financial institution authorized to do
50 business in this State of an adverse claim to a deposit or
account standing on its books to the credit of any person shall
is not be effectual to cause said institution to recognize said
adverse claimant, unless said adverse claimant shall either

R. & S.

procure a restraining order, injunction or other appropriate process against said institution from a court of competent jurisdiction in a civil action to which the person to whose credit the deposit or account stands is made a party, or shall execute to said institution, in form and with sureties acceptable to it, a bond indemnifying said institution from any and all liability, loss, damage, costs and expenses for and on account of the payment of such adverse claim or the dishonor of checks or other orders of the person to whose credit the deposit or account stands on the books of said institution.

This subsection does not apply to the creation, perfection or enforcement of a security interest in a deposit or account other than an assignment of a deposit or account in a consumer transaction as defined in Title 11, section 9-1102, subsection 26.'

Further amend the bill by inserting after section 22 the following:

'Sec. 23. Application. Any limited member of a credit union on the effective date of this Act remains a credit union member after the effective date of this Act.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

Further amend the bill by inserting at the end before the summary the following:

'FISCAL NOTE

The Bureau of Banking within the Department of Professional and Financial Regulation will incur some minor additional costs to incorporate the technical changes to the Maine Banking Code. These costs can be absorbed within the bureau's existing budgeted resources.'

SUMMARY

The amendment does the following.

1. It clarifies the application of the statutory definition of nonnatural person as it relates to credit union field of membership.

COMMITTEE AMENDMENT "A" to H.P. 1271, L.D. 1729

2 2. It clarifies the Department of Professional and
Financial Regulation, Bureau of Banking's examination authority
4 with respect to bank or credit union affiliates and service
corporations.

6 3. It adds a cross-reference to the Uniform Commercial Code.

8 The amendment also adds a fiscal note to the bill.