

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 635

H.P. 484

House of Representatives, February 8, 2007

### **An Act To Amend the Banking Laws Regarding Industrial Loan Company Reciprocity across State Lines**

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Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative KNIGHT of Livermore Falls.  
Cosponsored by Senator PERRY of Penobscot and  
Representatives: CHASE of Wells, GILES of Belfast, PIOTTI of Unity, RAND of Portland,  
RICHARDSON of Warren, SAMSON of Auburn, Senator: NASS of York.

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

2 **Sec. 1. 9-B MRSA §131, sub-§1-B** is enacted to read:

3 **1-B. Bank holding company.** "Bank holding company" means any company that  
4 controls, directly or indirectly, a bank.

5 **Sec. 2. 9-B MRSA §131, sub-§6-B** is enacted to read:

6 **6-B. Commercial activity.** "Commercial activity" means an activity in which a  
7 bank holding company, a financial institution holding company, a national bank and a  
8 national bank financial subsidiary may not engage under federal law.

9 **Sec. 3. 9-B MRSA §131, sub-§28-B** is enacted to read:

10 **28-B. National bank financial subsidiary.** "National bank financial subsidiary"  
11 means a company that is controlled by one or more insured depository institutions other  
12 than a subsidiary that:

13 A. Engages solely in activities that national banks are permitted to engage in directly  
14 and are conducted subject to the same terms and conditions that govern the conduct  
15 of such activities by national banks; or

16 B. A national bank is specifically authorized by the express terms of federal law, and  
17 not by implication or interpretation, to control.

18 **Sec. 4. 9-B MRSA §376, sub-§2,** as enacted by PL 1995, c. 628, §20, is amended  
19 to read:

20 **2. Branches of out-of-state financial institutions.** The laws of this State, including,  
21 but not limited to, the laws regarding consumer protection, fair lending and establishment  
22 of intrastate branches, apply to any state branch of an out-of-state financial institution,  
23 federal association or national bank to the same extent as those laws apply to a state  
24 branch of a financial institution organized under the laws of this State. An out-of-state  
25 financial institution that maintains, or seeks to establish and maintain, a branch in this  
26 State pursuant to this chapter may not conduct any activity at that branch that is not  
27 permissible for a financial institution organized under the laws of this State, including,  
28 but not limited to, commercial activity of that financial institution or an affiliate of that  
29 financial institution.

30 **Sec. 5. 9-B MRSA §376, sub-§3** is enacted to read:

31 **3. Commercial activity prohibited.** An out-of-state financial institution or an  
32 affiliate of an out-of-state financial institution may not conduct any commercial activity  
33 at a location in this State.

34

## SUMMARY

35 This bill defines "commercial activity" in the banking laws and clarifies that out-of-  
36 state financial institutions and their affiliates, like Maine financial institutions and their

1 affiliates, are prohibited from conducting any commercial activity at in-state branches and  
2 may not conduct any commercial activity within Maine.