

# MAINE STATE LEGISLATURE

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# FIFTY-SIXTH LEGISLATURE.

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SENATE.

No. 41.

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## STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SEVENTY-SEVEN.

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[S. 54.] AN ACT to provide for the organization and management of loan and building associations.

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*Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :*

SECTION 1. Loan and building associations may be  
2 organized in the manner provided by chapter ninety-  
3 six of the public laws of eighteen hundred and seventy-  
4 six for the organization of savings banks, trust and  
5 loan associations; and upon filing of any certificate of  
6 authorization of a loan and building association with  
7 the secretary of state as provided by that chapter, the  
8 persons therein named, their associates, successors and  
9 assigns, shall, thereupon and thereby be duly and law-  
10 fully constituted a body corporate and politic, and shall  
11 have the power to make and use a common seal, to  
12 hold, manage and convey real and personal property ;

13 to sue and be sued, to prosecute and defend suits in  
14 law or in equity ; to have perpetual succession each  
15 by its corporate name, and to make and ordain by-laws  
16 for its government not repugnant to the constitution  
17 and laws of this state.

SECT. 2. The certificate of authorization issued by  
2 the bank examiner shall provide the method of calling  
3 the first meeting of the association. Each association  
4 shall pay the bank examiner the sum of five dollars  
5 for his services in advance.

SECT. 3. The capital stock of each association shall  
2 consist of not more than thirty-five hundred shares, to  
3 be issued in one or successive series as shareholders  
4 may vote. Each shareholder shall, on each and every  
5 share of stock held by him pay the sum of one dollar  
6 on such day or days in each and every month, and to  
7 such officer as the by-laws shall require, until the value  
8 of the whole fund of the series to which such shares  
9 may belong shall be sufficient to divide to each share  
10 of that series the sum of two hundred dollars. Every  
11 share shall be subject to a lien for the payment of any  
12 unpaid instalments and other charges incurred thereon  
13 under the provisions of this act and the by-laws, and  
14 the by-laws may provide the method of enforcing such  
15 lien. New shares may be issued in the place of shares  
16 withdrawn, forfeited or redeemed.

SECT. 4. Each shareholder, for each and every share  
2 of stock held in any association, shall be entitled to  
3 receive a loan not exceeding two hundred dollars;  
4 such loan to be disposed of by the directors, at stated  
5 monthly meetings, to the shareholder who shall bid the  
6 highest premium for the preference or priority of the  
7 loan. Whenever a shareholder shall be entitled by  
8 such preference to a loan, he shall give such security  
9 for the repayment of the same and interest as the  
10 directors may deem sufficient, and in addition thereto  
11 he shall assign to the association one share of stock for  
12 every sum of two hundred dollars or fraction thereof  
13 borrowed by him, which stock so assigned shall be held  
14 as collateral security for the repayment of such loan.  
15 In case such shareholder neglects to offer security  
16 approved by the directors, within such time as the by-  
17 laws provide, he shall be charged with one month's  
18 interest on the loan, together with expenses incurred,  
19 and the money may be loaned to the next highest bid-  
20 der or re-sold at the next meeting. In case of non-  
21 payment of instalments or interest, by borrowing share-  
22 holders, for the space of six months, payment of prin-  
23 cipal and interest, without deducting premium paid,  
24 may be enforced by proceeding on the securities ac-  
25 cording to law. Loans may be repaid at any time be-  
26 fore due, and if before the expiration of eight years

27 from the commencement of the series to which it be-  
28 longs there shall be deducted from the same one-eighth  
29 of the premium paid for each and every year of said  
30 eight years then unexpired.

SECT. 5. Any shareholder, who has not received a  
2 loan from the association, wishing to withdraw from  
3 the same, may do so by giving thirty days' notice of  
4 his intention so to do, when he shall be paid the amount  
5 he has paid into the association, and such proportion  
6 of the profits as the shareholders may vote, less the  
7 amount of any fines and charges. *Provided*, at no time  
8 shall more than one-half the funds in the treasury be  
9 applicable to the demands of withdrawing members  
10 without the consent of the directors. Upon the death  
11 of a shareholder his legal representatives shall be en-  
12 titled to receive the full amount paid in, with six per  
13 cent. interest on the same, first deducting all fines and  
14 charges that may be due thereon; or such representa-  
15 tives may assume and pay future instalments under  
16 the same rights and liabilities of deceased. The money  
17 received for the shares of a deceased shareholder, or  
18 the shares themselves, as the case may be, shall  
19 descend to the same persons and be distributed in the  
20 same manner that money received from a policy of life  
21 insurance on the life of a deceased person now does  
22 by law.

SECT. 6. When no applications are made to borrow  
 2 the money in the treasury, at any monthly meeting of  
 3 the directors, they may invest such money as they may  
 4 deem for the best interests of the association.

SECT. 7. Minors may hold shares by trustees ; and  
 2 at least two shares of each shareholder shall be exempt  
 3 from attachment and execution.



# STATE OF MAINE.

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IN SENATE, January 31, 1877.

Reported by Mr. WHEELWRIGHT of Penobscot, from the Committee on Banks and Banking, and laid over to be printed under the Joint Rule.

S. W. LANE, *Secretary*