

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-FIFTH LEGISLATURE

HOUSE

NO. 636

House of Representatives, Mar. 17, 1911.

*Reported by Mr. Scates from committee on Legal Affairs
and ordered printed under joint rules.*

C. C. HARVEY, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND ELEVEN.

AN ACT to incorporate the "People's Loan Company."

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

Section 1. William A. Wheeler, Joseph E. F. Connolly,
2 Frederic E. Boothby, William Henry, George F. Gould,
3 William K. Sanderson and Arthur W. Merrill, their asso-
4 ciates and successors, are hereby created a corporation by
5 the name of the "People's Loan Company," to be located
6 at Portland in the county of Cumberland, for the purpose
7 of loaning money on as reasonable terms as possible, con-
8 sistent with safety and a fair return to the stockholders.
9 upon the notes of individuals, secured by mortgage of real
10 estate or any interest therein, or by pledge, or by mortgage
11 of personal property of any kind, including savings bank

12 deposit books, and life insurance policies, or by assignment
13 of salary or wages to be earned in the future; and all the
14 powers and privileges, necessary for the execution of these
15 purposes, are hereby granted, and said corporation shall be-
16 gin business on or before January first, nineteen hundred
17 and thirteen, otherwise its charter shall be void.

Sect. 2. The capital stock shall be ten thousand dollars
2 divided into shares of ten dollars each and shall be paid
3 for in money, at such times and in such amounts as the board
4 of directors shall decide, but no business shall be transacted
5 until at least one half of its capital stock shall have been
6 duly subscribed and actually paid for. Said corporation
7 may increase its capital stock from time to time until the
8 same amounts to fifty thousand dollars.

Sect. 3. Said corporation is authorized to borrow on its
2 own notes, not exceeding the amount of its capital, paid in,
3 and for periods not exceeding one year.

Sect. 4. The government of the said corporation shall
2 be vested in a board of not less than five directors, one of
3 whom shall be appointed by the Governor of the state, one
4 by the Mayor of Portland, the others to be chosen as the
5 by-laws may prescribe, conformably to law.

Sect. 5. All loans shall be for a time fixed and for not
2 longer than one year, nor greater than two hundred dollars
3 in amount to any one person, and shall be upon the note or
4 notes of the borrower, secured as hereinbefore provided and
5 the mortgagor shall have the right to redeem his property

6 at any time before the right of redemption, as specified by
7 his contract, shall be foreclosed, upon payment of the
8 amount of his loan and interest at the specified rate per
9 month up to the time of the offer to redeem and tender of
10 the amount due, together with the actual amount of charges
11 incident to foreclosure. A fee of not more than one dollar
12 for examination of the security offered and the expenses
13 of making and recording the mortgage may be charged by
14 the said corporation in case a loan is made and the rate of
15 interest which may be charged upon any loan shall not ex-
16 ceed one and one half per cent. per month and the interest
17 shall not be deducted in advance from the amount of the
18 loan.

Sect. 6. The corporation shall cause to be given to each
2 borrower a card which shall state the name of the corpora-
3 tion; the name of the borrower; the amount of the loan;
4 and the rate of interest; the date when the loan was made
5 and when it is payable; and the article or articles mort-
6 gaged or pledged as security for the loan, and in case of
7 pledged articles, shall state the terms upon which said
8 pledged property shall be applied in payment of said notes.

Sect. 7. In case property pledged to the corporation as
2 security for a loan, is not redeemed within one year from
3 date when the loan was payable, said corporation shall have
4 the right to sell or dispose of the same and apply the pro-
5 ceeds to the payment of the note, interest and charges and
6 the net surplus after paying the loan, interest, charges and

7 expenses shall be returned to the borrower, or held sub-
8 ject to his disposal for one year, after which time it shall
9 become the property of the corporation.

Sect. 8. This corporation shall be subject to the super-
2 vision of the Bank Examiner, and he shall have the same
3 authority over it as he has over Savings Banks, Trust Com-
4 panies and Loan and Building Associations.

Sect. 9. The rate of dividend to be paid on the capital
2 stock of this corporation shall be limited to seven per cent.
3 per annum, cumulative, and the surplus which may be ac-
4 cumulated shall not be larger than the reasonable safety
5 and business interests of the corporation require; said
6 amount to be determined by decision of the Bank Examiner,
7 which decision shall be subject to revision by the Supreme
8 Judicial Court on appeal taken to the next term thereof,
9 held more than thirty days after said decision is made known
10 to the said corporation, by a bill in equity setting forth sub-
11 stantially the facts and the reasons why the said decision
12 should be revised.

Sect. 10. The first meeting of said corporation may be call-
2 ed by a written notice signed by any corporator herein named,
3 served upon each corporator by giving him the same in
4 hand, or leaving the same at his last and usual place of
5 abode, seven days at least before the time of the meeting,
6 unless such notice is waived in writing signed by all the
7 corporators.