

MAINE STATE LEGISLATURE

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NEW DRAFT

EIGHTIETH LEGISLATURE

HOUSE

NO. 465

House of Representatives, April 5, 1921.

Reported by Mr. Plummer from Committee on Banks and Banking and ordered printed under joint rules.

CLYDE R. CHAPMAN, Clerk.

STATE OF MAINE

**IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND TWENTY-ONE**

AN ACT to Amend Chapter One Hundred and Ninety-eight, Private and Special Laws of Nineteen Hundred Fifteen, Entitled "An Act to Incorporate the Mutual Loan Society of Lewiston."

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

Section 1. Section three of chapter one hundred and ninety-eight of the private and special laws of nineteen hundred and fifteen is hereby amended by adding thereto the following words: 'Provided, however, that no further payments under this section shall be received after this amendment takes effect,' so that said section, as amended, shall read as follows:

‘Sec. 3. The purpose of the corporation is to promote
2 the habits of economy and encourage thrift especially
3 amongst young people, and to assist such persons as may
4 become members in securing loans for home-building and
5 other legitimate purposes at low rates of interest and on
6 easy terms of repayment.

‘For the purpose aforesaid it may receive deposits from
2 individuals of two dollars and thirty cents per month each,
3 two dollars of which shall be held by said corporation to
4 accumulate a fund for the depositor and thirty cents as
5 the compensation of the corporation for its services, ex-
6 penses of administration and risk.

‘Provided, however, that no further payments under this
2 section shall be received after this amendment takes effect.’

Sect. 2. Section four of said chapter is hereby amended
2 by adding thereto the following paragraph: ‘No members
3 shall be accepted and no further loans shall be made after
4 this amendment takes effect,’ so that said section, as amend-
5 ed, shall read as follows:

‘Sect. 4. A fee of five dollars and fifty cents called a
2 membership fee shall be paid to the corporation by each
3 person desiring to become a member thereof before obtain-
4 ing a certificate of deposit, entitling said member to the
5 advantage and benefit of securing a loan from said cor-
6 poration as hereinafter stipulated.

‘Whenever the aggregate sum of the combined depositors’
2 credits amounts to one thousand dollars, the first depositor

3 in numerical order of his certificate, may borrow the sum
4 of one thousand dollars, on real estate or other security or
5 endorsement approved by the directors and shall discharge
6 and cancel such loan by repaying to the corporation the
7 sum by which said one thousand dollars shall exceed the
8 accumulated payments then standing to the credit of such
9 borrower at the rate of not less than five dollars per month
10 on said loan, and fifteen cents per month on each dollar
11 of such monthly payments for the benefit of the corpo-
12 ration, all payable monthly and all without interest or any
13 other compensation for the use thereof; provided, how-
14 ever, that the corporation may collect interest on the pay-
15 ment in arrears at the rate of six per cent per annum and
16 may declare the whole principal of said loan due and pay-
17 able, and collect the same with interest thereon at said rate,
18 whenever any borrower shall be three months in arrears
19 on his said payments.

‘No members shall be accepted and no further loans shall
2 be made after this amendment takes effect.’

Sect. 3. Section five of said chapter is hereby amended
2 by striking out the first two paragraphs, so that said sec-
3 tion, as amended, shall read as follows:

‘Sect. 5. The certificates or other evidence of ownership
2 in said fund shall be transferable, by paying the regular
3 fee fixed for that purpose by the directors, which said fee
4 shall not exceed one dollar and fifty cents.’

Sect. 4. Section twelve of said chapter is hereby stricken
2 out, and the following is substituted in place thereof:

‘Sect. 12. The corporation shall repay to members who
2 have not obtained loans, referred to herein as non-borrow-
3 ing members, immediately after this act takes effect, the
4 full amounts paid in by them, both to the accumulated fund
5 and the administration fund, after March thirty-first, nine-
6 teen hundred and twenty-one, except for payments made
7 after that date of sums due prior thereto, using for that
8 purpose only moneys received after that date from such
9 payments and undivided profits sufficient to make up the
10 deficit, if any. Within thirty days after this act takes effect
11 the directors shall prepare and file with the bank com-
12 missioner a complete list of all non-borrowing members
13 with the respective amounts standing to the credit of each
14 as of April first, nineteen hundred and twenty-one, and a
15 certificate showing that the aforesaid repayments have been
16 made. They shall distribute ratably to such members,
17 within twenty days after the first day of August, annually,
18 beginning August, nineteen hundred and twenty-two, the
19 full amount paid to the first day of that month on account
20 of the principal of outstanding loans until the entire amount
21 due such non-borrowing members shall have been paid in
22 full. They shall deposit all such payments on the principal
23 of loans and two-thirds of all sums paid by borrowers to
24 the administration fund after this act takes effect, as re-
25 ceived, at interest, in banks authorized to receive savings:

26 deposits in this state, and distribute all accumulations of
27 interest thereon and the principal of such deposits from
28 the administrative fund, ratably as aforesaid, at such times
29 as the bank commissioner may order, in addition to the
30 return of the principal due such members, as interest there-
31 on. The remaining one-third of the sums hereafter paid
32 to the administrative fund as aforesaid shall constitute full
33 compensation to the corporation for all services hereafter
34 rendered by or through it, and, with the profits already
35 made, full lawful return on its investment.'

Sec. 5. Section thirteen of said chapter is hereby stricken
2 out and the following section substituted in place thereof:

'Sec. 13. The directors may, in order to expedite the
2 liquidation of the corporation and with the written approval
3 of the bank commissioner, sell any notes or other evidences
4 of indebtedness owned by it, and assign the security there-
5 for, whereupon the purchaser and his assigns shall have
6 full power to collect the same according to the tenor there-
7 of, and the proceeds of such sales shall be distributed as
8 payments upon the principal of the loans, as aforesaid. If
9 the full amount of the principal due said non-borrowing
10 members, exclusive of payments of interest mentioned in
11 section twelve of this act, is not repaid within thirty days
12 after the last of the loans mentioned in section four are
13 due and payable, or if the aggregate amount available for
14 any annual distribution to principal is not equal to the
15 amount then payable on said loans, and the corporation

16 does not within said twenty days make up the deficit in
17 any other manner, the bank commissioner or the directors
18 of the corporation may apply to the supreme judicial court
19 in equity for the appointment of a receiver to liquidate the
20 affairs of the corporation; provided, however, that any ad-
21 vances from other funds in the treasury, or from contri-
22 butions from other sources to complete such annual dis-
23 tributions, in lieu of arrears of payments by borrowers,
24 may be reimbursed from the payment of such arrears when
25 made.'