

MAINE STATE LEGISLATURE

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E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 517

S. P. 304

In Senate, Feb. 8, 1933.

Referred to Committee on Banks and Banking and 500 copies ordered printed. Sent down for concurrence.

ROYDEN V. BROWN, Secretary.

Presented by Senator Robie of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED THIRTY-THREE

AN ACT Defining Certain Powers of Industrial Banks.

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

Sec. 1. R. S. c. 57, § 138, ¶ I, amended. Paragraph I of section 138 of chapter 57 of the revised statutes is hereby amended to read as follows:

'I. **To borrow money**, to lend money and discount notes **and bills of exchange, including trade acceptances**, and to deduct interest thereon in advance at a rate no greater than 8% per annum; and in addition to receive uniform weekly, **semi-monthly** or monthly instalments on its certificates of indebtedness or deposit purchased by the borrower simultaneously with a loan transaction, or otherwise, and pledged with the corporation as security for the said loan, with or without an allowance of interest on such instalments.'

Sec. 2. R. S. c. 57, § 138, ¶ III, amended. Paragraph III of section 138 of chapter 57 of the revised statutes is hereby amended to read as follows:

'III. To charge for loan made pursuant to this section one dollar for each fifty dollars or fraction thereof loaned, for expenses, including any examination or investigation of the character and circumstances of the borrower, co-maker, or surety and the drawing and taking acknowledgment of necessary papers or other expenses incurred in making the loan, ~~No charge shall be collected unless a loan shall have been made as a~~

~~result of such examination or investigation and no such charge shall exceed five dollars except that no such charge shall exceed ten dollars; and to charge for such examination or investigation, when no loan is made as a result thereof, the sum of one dollar.'~~

Sec. 3. R. S. c. 57, § 138, amended. Section 138 of chapter 57 of the revised statutes is hereby amended by adding thereto the following new paragraph:

'V. To purchase, invest in, hold and sell such notes, bonds and securities as are legal for investments of deposits in savings banks.'

Sec. 4. R. S. c. 57, § 139, ¶ I, amended. Paragraph I of section 139 of chapter 57 of the revised statutes is hereby amended to read as follows:

'I. Hold at any one time the direct obligation or obligations of any one person, firm or corporation for more than 4% of the amount of capital and surplus of such industrial bank **or the indirect obligation or obligations of any one person, firm or corporation for more than 15% of the amount of capital and surplus of such industrial bank; provided, however, that nothing in this paragraph shall be construed to limit the holdings of an industrial bank in the obligations of the United States or the state of Maine, and in amounts authorized by a vote of a majority of the directors or the executive committee. For the purpose of this paragraph bills of exchange, including trade acceptances, shall be deemed to be the direct obligations of the acceptors thereof, and the indirect obligations of the drawers thereof.'**

Sec. 5. R. S. c. 57, § 139, amended. Section 139 of chapter 57 of the revised statutes is hereby amended by adding thereto the following new paragraph:

'IV. Be at any time indebted for borrowed money to an amount in excess of its capital, surplus and undivided profits, except that by vote of a majority of its entire board of directors or executive committee setting forth the reasons therefor, and upon receiving the written consent of the bank commissioner thereto, it may borrow money to redeem its certificates of investment or prevent loss by sale of assets, and may rediscount notes, or pledge bonds, notes or other securities as collateral therefor. Copies of all votes authorizing such excess borrowing shall be promptly forwarded by the secretary to the bank commissioner. Rediscount shall be considered as borrowed money for the purpose of this section.'