

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. 800

S. P. 534

In Senate, Mar. 1, 1933.

Reported by Senator Robie of Cumberland, from Committee on Banks & Banking, and laid on table to be printed under joint rules.

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, Par. I. amended. Paragraph I. of section 138 of chapter 57 of the revised statutes is hereby amended to read as follows:

‘I. Powers 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% annually; 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, additional. Section 138 of chapter 57 of the revised statutes is hereby amended by adding thereto the following new paragraph:

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

Sec. 3. R. S., c. 57, § 139, Par. I, amended. Paragraph I of section 139 of chapter 57 of the revised statutes is hereby amended to read as follows:

I. Prohibitions. 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. 4. R. S., c. 57, § 139, additional. Section 139 of chapter 57 of the revised statutes is hereby amended by adding thereto the following new paragraph:

IV. Limitation of indebtedness; exception. 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.'