

MAINE STATE LEGISLATURE

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NEW DRAFT

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. 805

S. P. 548

In Senate, March 2, 1933.

Reported by Senator Page of Somerset from Committee on Banks and Banking and laid on table to be printed under joint rules.

ROYDEN V. BROWN, Secretary.

New Draft of S. P. 306, L. D. 518.

S T A T E O F M A I N E

I N T H E Y E A R O F O U R L O R D N I N E T E E N H U N D R E D T H I R T Y -
T H R E E

A N A C T t o A m e n d t h e B a n k i n g L a w s b y A m e n d i n g S e c t i o n 9 1 o f C h a p t e r
5 7 o f t h e R e v i s e d S t a t u t e s .

Emergency Preamble. Whereas, there now exists a world-wide depression which has resulted in a present inability on the part of many persons, firms, and corporations in this state engaged in commercial and agricultural pursuits to obtain commercial credit or loans of money to which they are economically entitled, or to pay indebtedness heretofore incurred; and whereas, such inability has resulted in business embarrassment and unemployment throughout this state; and whereas, the enforced collection of indebtedness already outstanding would still further increase such embarrassment and unemployment; and whereas, it has been found in the present emergency that the borrowing capacity of trust companies in this state is unduly restricted under the present laws, beyond that of other forms of banking institutions, and that such restrictions prevent the extension by said trust companies of proper credits and the making of proper loans to such persons, firms, and corporations within this state, and, if continued, will necessitate the taking of active steps to collect loans already made, in order to meet normal withdrawal of deposits; and whereas, the modification of such restrictions on borrowing power, subject always to approval of the bank commissioner, is immediately necessary for the pres-

ervation of the public peace, health, and safety; and whereas, the foregoing facts constitute an emergency within the meaning of the constitution of this state;

Now, therefore,

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

R. S., c. 57, § 91, amended. Section 91 of chapter 57 of the revised statutes is hereby amended by adding thereto the following:

‘Notwithstanding the provisions of this section and of sections 89 and 90 of this chapter, whenever, in the judgment of the bank commissioner as evidenced by his written certificate and that of a majority of its board of directors or a majority of its executive committee, it is for the best interests of its savings depositors and necessary to prevent loss by sale of assets or undue contraction of existing bank credit, any such company may to secure any loan or loans made to it pledge such segregated assets as the bank commissioner shall approve, and no lender shall be required to see to the application of the money borrowed by any such trust company, nor to the sufficiency of its segregated assets, nor to the validity of the release from segregation of any assets of such company offered as security for any loan or loans made to it, and any such pledge shall operate as a withdrawal from segregation of the assets thus pledged and of the equity of the trust company in such assets.’

Emergency Clause. In view of the emergency stated in the preamble hereof, this act shall take effect when approved.