

MAINE STATE LEGISLATURE

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DECEMBER SPECIAL SESSION

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. 93

S. P. 25

In Senate, Dec. 6, 1933.

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

ROYDEN V. BROWN, Secretary.

Presented by Senator Jackson of Sagadahoc.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND
THIRTY-THREE

**AN ACT to Provide for Issuing Capital Notes and Debentures by Mutual
Savings Banks and Institutions for Savings**

Emergency Preamble. Whereas, the banking situation in this state appears to require that mutual savings banks and institutions for savings should be authorized to issue capital notes and debentures and to dispose of the same to the Reconstruction Finance Corporation, and to enable them to take advantage of the benefits of the Federal Deposit Insurance Corporation; and

Whereas, the requirements of the Reconstruction Finance Corporation and of the Federal Deposit Insurance Corporation do not appear to be fully met by the existing law, in order to make immediately available to mutual savings banks and institutions for savings the privilege of issuing capital notes and debentures and the benefits of federal deposit insurance to safeguard their financial stability and promote the industrial and commercial welfare and prosperity of our state, it is necessary that the enactment of the following act additional to the banking laws should become effective forthwith; and

Whereas, in the judgment of the legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the constitution of Maine and require the following legislation as immediately neces-

sary for the preservation of the public peace, health and safety, now, therefore

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

Authority to issue capital notes and debentures.

Any savings bank and institution for savings may from time to time issue capital notes or debentures upon such terms and conditions as its trustees may upon a majority vote prescribe, and sell the same to any officer, board, commission, corporation or body created by the Federal Government, or pledge any such capital notes or debentures as security for any loan or loans of money from any such officer, board, commission, corporation or body, and may, from time to time, extend, refund or renew any such capital notes or debentures; **provided**, that such capital notes or debentures may, in whole or in part or to any degree, be subordinated to claims of the depositors or other creditors of any such savings bank or institution or savings, and/or be made prior to the claims or interests of depositors in and to the surplus of any such savings bank or institution for savings; **further provided**, that no such capital notes or debentures shall be so issued, sold or pledged without the approval of the Bank Commissioner; and **further provided**, that nothing in this act contained shall be deemed or construed to require the approval by the Bank Commissioner of the acceptance by any such savings bank or institution for savings of such loans, secured or unsecured, from any such officer, board, commission, corporation or body, or other source, as it may from time to time require in the transaction of its business in the usual course.

Emergency Clause: In view of the emergency created as recited in the preamble, this act shall take effect when approved.