

# MAINE STATE LEGISLATURE

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N I N E T I E T H                      L E G I S L A T U R E

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**Legislative Document**

**No. 492**

H. P. 1229

House of Representatives, February 5, 1941.

Referred to the Committee on Banks and Banking and 750 copies ordered printed. Sent up for concurrence.

HARVEY R. PEASE, Clerk.

Presented by Mr. Shesong of Portland.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FORTY-ONE

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**AN ACT Relative to Rate of Interest to be Charged by  
Loan and Building Associations.**

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

**R. S., c. 57, § 110, amended.** Section 110 of chapter 57 of the revised statutes, as amended by chapter 31 of the public laws of 1933, is hereby further amended to read as follows:

**‘Sec. 110. Rate of interest to be charged.** A borrowing member, for each share borrowed upon, shall, in addition to his dues and monthly premium, if such monthly premium be charged, pay monthly interest on his loan, except as otherwise provided in the by-laws of such association under the provisions of section 108, ~~at the rate of not less than 5, nor more than 6% a year~~ **such rate of interest as the directors may determine** until the loan has been repaid. When shares of a borrowing member, with dividends credited thereon, shall have reached the value of  $\frac{1}{4}$  of the amount borrowed, the association, upon request of the borrowing member, may, at its option, reduce thereafter by  $\frac{1}{4}$  the amount of said borrowing member’s original monthly dues’ payment, and when said shares of a borrowing member shall have reached the value of  $\frac{1}{2}$  of the original amount borrowed, the association may thereafter reduce by  $\frac{1}{2}$  the original amount

of the borrowing member's original dues' payment and when said shares shall have reached the value of  $\frac{3}{4}$  of the original amount borrowed the association may thereafter reduce by  $\frac{3}{4}$  the borrowing member's original monthly dues' payment.'