

MAINE STATE LEGISLATURE

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NINETY - SECOND LEGISLATURE

Legislative Document

No. 928

S. P. 368

In Senate, February 20, 1945.

Transmitted by revisor of statutes pursuant to joint order.

Referred to Committee on Legal Affairs, sent down for concurrence and ordered printed.

ROYDEN V. BROWN, Secretary.

Presented by Senator Boucher of Androscoggin (by request).

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-FIVE

AN ACT Amending An Act to Authorize the Incorporation of Credit
Unions.

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

Sec. 1. R. S., c. 51, § 1, amended. Section 1 of chapter 51 of the revised statutes is hereby amended by adding at the end thereof a new sentence to read as follows :

‘A “credit union” shall also mean a cooperative association, organized for the purpose of accumulating and investing the savings of the group of individuals and organizations of individuals described in the articles of association.’

Sec. 2. R. S., c. 51, § 2, repealed and replaced. Section 2 of chapter 51 of the revised statutes is hereby repealed and the following enacted in place thereof :

‘Sec. 2. Incorporation. Ten or more persons, residents of this state and members of the group set forth in the articles of association, may petition for the right to organize and operate a credit union within said group by signing and executing in duplicate articles of association, by the terms of which they agree to be bound.

Such articles of association shall set forth the name of the proposed credit union, its location, city or town, the limitations of its membership, the par value of the shares, which shall not exceed \$5, and the names and home addresses of signers of the articles, together with a statement of the number of shares in the proposed credit union subscribed by each one of them.

The articles of association, properly subscribed and notarized, shall be filed with the bank commissioner who shall, within 30 days from the receipt thereof, determine his disposition of the application for a credit union charter as set forth in such articles of association. He shall grant said application if satisfied that the proposed field of operation is favorable to the success of the credit union and that the standing of the incorporators is such as to give assurance it will be administered in accordance with the spirit of this chapter.

If the commissioner determines in favor of said application he shall attach to one copy of the said articles of association a certificate of incorporation and return the articles to the applicants who shall, thereupon, cause to be recorded with the register of deeds in the county in which the credit union is to operate the certificate of incorporation.

A fee of \$5 shall accompany the article of incorporation.'

Sec. 3. R. S., c. 51, § 3, amended. The 1st paragraph of section 3 of chapter 51 of the revised statutes is hereby repealed.

Sec. 4. R. S., c. 51, § 18, amended. The last sentence of section 18 of chapter 51 of the revised statutes is hereby repealed and the following enacted in place thereof:

'The treasurer may be compensated in such amount as the directors may from time to time authorize.'

Sec. 5. R. S., c. 51, § 23, repealed and replaced. Section 23 of chapter 51 of the revised statutes is hereby repealed and the following enacted in place thereof:

'Sec. 23. Loans. A credit union may make loans of the following classes to its members:

I. Unsecured personal loans which shall in no individual case exceed \$300.

II. Personal loans secured by the note of the borrower and such co-makers or indorsers as the credit committee shall, in the given case, determine.

Personal loans may be made under such conditions as prescribed in the by-laws of each individual credit union.

III. Loans secured by chattel mortgages and conditional sales contracts.

Loans secured by chattel mortgages and conditional sales contracts may be made under such conditions as prescribed in the by-laws of each individual credit union.

IV. Loans secured by mortgages of real estate situated within the state.

The total amount which a credit union may invest in loans secured by first mortgages of real estate, shall not exceed 20% of the aggregate amount of the shares, deposits, and guaranty fund. All loans secured by mortgages of real estate shall be subject to the following restrictions:

A. The total liability of any member upon loans of this class shall not exceed 5% of the assets of the credit union, nor shall it exceed \$8,000.

B. A loan secured by a first mortgage of real estate shall not exceed 60% of the value of the property mortgaged, as determined by the credit committee, except that this provision shall not apply to real estate loans insured by the federal housing administration.

Personal loans shall always be given the preference, and in the event there are not sufficient funds available to satisfy all loan applications approved by the credit committee, preference shall be given to the smaller loan.