

MAINE STATE LEGISLATURE

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NINETY - EIGHTH LEGISLATURE

Legislative Document

No. 1133

H. P. 801

House of Representatives, March 5, 1957.

Referred to the Committee on Welfare. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Latno of Old Town.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-SEVEN

AN ACT Authorizing Certain Members of the Penobscot Tribe to Borrow Money.

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

R. S., c. 25, §§ 363-A - 363-E, additional. Chapter 25 of the Revised Statutes is hereby amended by adding thereto 5 new sections to be numbered 363-A to 363-E, inclusive, to read as follows:

'Sec. 363-A. Indians may mortgage property; limits. A member of the Penobscot tribe of Indians, owning property on Indian Island, may borrow money from any bank, trust company or loan and building association. Said loan shall be secured by a mortgage on such property. Said loan shall be only for the purpose of making major repairs, improvements or erecting a new building on said property located on Indian Island. In no case shall any loan to an individual exceed \$3,500 and at no time shall the principal of the loans outstanding exceed \$30,000. Loans shall be made on the basis of regular banking practices at the usual and normal rate of interest.

Sec. 363-B. Written approval of Commissioner required. No loan shall be made to any Indian without the prior written approval of the Commissioner. When the loan is made the Commissioner shall be notified by the bank, trust company or loan and building association of the amount loaned and provisions for payment. The Commissioner shall keep a record of all loans.

Sec. 363-C. Loans guaranteed. Every loan made pursuant to the provisions of sections 363-A to 363-E, inclusive, shall be guaranteed by the State from the income and principal of the Penobscot Indian Trust Funds.

Sec. 363-D. Default of payment; procedure. In the event of a default the bank shall notify the Commissioner that it has foreclosed on the mortgage and the total amount due said bank. The Commissioner shall notify the Treasurer of State of the name of the bank, trust company or loan and building association and the amount due. The Treasurer of State shall draw a check against the Penobscot Indian Trust Funds in that amount. Upon receipt of payment from the State the bank, trust company or loan and building association shall assign the mortgage and note to the State and forward said mortgage and note to the Commissioner. The Commissioner shall notify the mortgagor of this action and if no redemption is made by him the State shall reclaim the property after the equity of redemption has expired.

Sec. 363-E. State may sell property. The State may dispose of the property by rent or sale to a member of the Penobscot tribe and the funds received therefrom shall be paid into the Penobscot Indian Trust Funds.'