

MAINE STATE LEGISLATURE

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Acts and Resolves

As Passed by the

Seventy-Eighth Legislature

OF THE

STATE OF MAINE

1917

Including Acts and Resolves of the Special Session of the
Seventy-Seventh Legislature held in 1916.

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PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Seventy-Eighth Legislature

1917

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poor to said board within forty-eight hours of the entrance of such child into the almshouse, infirmary or hospital. A similar notice within the same time shall be sent by the overseers of the poor to the said board when the child is discharged from said almshouse, hospital or infirmary.'

Sec. 9. Inconsistent statutes repealed. All acts and parts of acts inconsistent with the foregoing are hereby repealed.

Approved April 7, 1917.

Chapter 298.

An Act to License and Regulate the Business of Making Loans in Sums of Three Hundred Dollars or Less, at a Greater Rate of Interest than Twelve Per Centum Per Annum, and Regulating the Assignment of Wages or Salaries Given as Security therefor.

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

Sec. 1. Loans; persons, etc., charging more than twelve per cent interest annually, must procure license; license fee, bond, provisions, etc. No person, copartnership or corporation shall engage in the business of making any loan of money, credit, goods or choses in action in the amount or to the value of three hundred dollars, or less, whether secured or unsecured, and charge, contract for or receive a greater rate of interest than twelve per centum per annum therefor, without first obtaining a license from the state bank commissioner. Application for such license shall be in writing and shall contain the full name and address, both of the residence and place of business, of the applicant, and if the applicant is a copartnership, of every member thereof, or if a corporation, of every officer thereof; also the county and municipality, with street and number, if any, where the business is to be conducted. Every such applicant, at the time of making such application, shall pay to the bank commissioner the sum of fifty dollars as an annual license fee and in full payment of all expenses of examinations under and administration of this act. The applicant shall also, at the same time, file with the bank commissioner a bond in which the applicant shall be the obligor, in the sum of one thousand dollars with one or more sureties to be approved by said bank commissioner; which bond shall run to the bank commissioner of the State of Maine for the use of the state and of any person or persons who may have a cause of action against the obligor of said bond under the provisions of this act, and shall be conditioned that said obligor will conform to and abide by each and every provision of this act and will pay to the state and to any such person or persons, any and all moneys that may become due or owing to the state and to such person or persons from said obligor, under and by virtue of the provisions of this act. If in the opinion of the bank commissioner the bond shall at any time appear to be insecure or exhausted, or otherwise doubtful, an additional bond in the sum of not more than one thousand dollars satisfactory to the bank commissioner shall be filed, and upon failure of the obligor to file such additional bond, the license shall be revoked by the bank commissioner.

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Sec. 2. License to be issued by bank commissioner; expiration; rebate if for less than six months. Upon the filing of such application and the approval of said bond and the payment of said fee, the bank commissioner shall issue a license to the applicant to make loans in accordance with the provisions of this act for a period which shall expire the first day of January next following the date of its issuance; provided, that if the license is issued for a period of less than six months the license fee shall be twenty-five dollars. Such license shall not be assignable, and shall be kept conspicuously posted in the place of business of the licensee.

Sec. 3. Revocation of license. The bank commissioner may, in his discretion, upon notice to the licensee and opportunity to be heard, revoke such license if satisfied that the licensee has violated any provision of this act or any existing statute. The issuance of another license after a revocation shall be at the discretion of the bank commission. In case the licensee shall be convicted a second time of a violation of sections eight and nine of this act or any existing statute the bank commissioner shall revoke such license; provided, that the second offense shall have occurred after a prior conviction.

Sec. 4. Transaction of business under other name or at other place than stated in license prohibited; removal of licensee. No person, copartnership or corporation so licensed shall make any loan or transact any business provided for by this act, under any other name or at any other place of business than that named in the license. Not more than one office or place of business shall be maintained under the same license, but the bank commissioner may issue more than one license to the same person upon the payment of an additional license fee and the filing of an additional bond for each license. In case of the removal of a licensee, he shall at once give written notice thereof to the bank commissioner, who shall attach to the license his consent in writing to the removal.

Sec. 5. Investigations by bank commissioner. The bank commissioner for the purpose of discovering violations of this act may either personally, or by any person designated by him, at any time and as often as he may desire, investigate the loans and business of every licensee and of every person, copartnership and corporation by whom or by which any such loan shall be made, whether such person, copartnership or corporation shall act, or claim to act, as principal, agent or broker, or under, or without the authority of this act; and for that purpose he shall have free access to the books, papers, records and vaults of all such persons, copartnerships and corporations; he shall also have authority to examine, under oath, all persons whomsoever whose testimony he may require, relative to such loans or business.

Sec. 6. Bank commissioner to prescribe manner of keeping records; records to be preserved. The licensee shall keep such books and records as in the opinion of the bank commissioner will enable the commissioner to determine whether the provisions of this act are being observed. Every such licensee shall preserve the records of final entry used in such business,

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including cards used in the card system, if any, for a period of at least two years after the making of any loan recorded therein.

Sec. 7. False statements as to rates, etc., distributed by licensee, prohibited. No licensee or other person or corporation shall print, publish or distribute or cause to be printed, published or distributed in any manner whatsoever, any written or printed statement with regard to the rates, terms or conditions for the lending of money, credit, goods or choses in action, in amounts of three hundred dollars or less, which is false or calculated to deceive.

Sec. 8. Amount of loan and rate of interest limited. Every person, co-partnership and corporation licensed hereunder may loan any sum of money, goods or choses in action not exceeding in amount or value the sum of three hundred dollars, and may charge, contract for and receive thereon interest at a rate not to exceed three and one-half per centum per month. No person shall owe any licensee at any time more than three hundred dollars for principal.

Sec. 9. Interest; how computed and paid. Additional charges except lawful fees prohibited. Loan forfeited in case of violation. Interest shall not be payable in advance or compounded, and shall be computed on unpaid balances. In addition to the interest herein provided for, no further or other charge or amount whatsoever for any examination, service, brokerage, commission or other thing, or otherwise, shall be directly or indirectly charged, contracted for or received, except the lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing or recording in any public office any instrument securing the loan, which fees may be collected when the loan is made, or at any time thereafter. If interest or charges in excess of those permitted by this act shall be charged, contracted for, or received, the contract of loan shall be void, and the licensee shall have no right to collect or receive any principal, interest or charges whatsoever.

Sec. 10. Duties imposed upon licensee. Every licensee shall:

Furnish borrower with statement of acts containing copies of sections eight and nine. Deliver to the borrower, at the time a loan is made, a statement in the English language showing in clear and distinct terms the amount and date of the loan and of its maturity, the nature of the security, if any, for the loan, the name and address of the borrower and of the licensee, and the rate of interest charged. Upon such statement there shall be printed in English a copy of sections eight and nine of this act;

Receipt for payments. Give to the borrower a plain and complete receipt for all payments made on account of any such loan at the time such payments are made;

Discharge mortgage and cancel loan. Upon repayment of the loan in full, mark indelibly every paper, signed by the borrower with the word "paid" or "cancelled," and discharge any mortgage, restore any pledge, return any note and cancel any assignment given by the borrower as security.

Sec. 11. Restrictions imposed upon licensee. No licensee shall take any confession of judgment or any power of attorney. Nor shall he take any

note, promise to pay, or security that does not state the actual amount of the loan, the time for which it is made and the rate of interest charged, nor any instrument in which blanks are left to be filled after execution.

Sec. 12. Assignment of wages; provisions relating to. No assignment of any salary or wages, earned or to be earned, given to secure a loan, shall be valid unless in writing signed in person by the borrower; nor, if the borrower is married, unless it shall be signed in person by both husband and wife; nor shall such assignment be valid unless given to secure a debt contracted simultaneously with its execution. All such assignments shall be subject to the provisions of section nine of chapter one hundred and fourteen of the revised statutes.

Sec. 13. Interest rate greater than twelve per cent annually, except as herein provided, prohibited; attempted evasion by pretended purchase. No person, copartnership or corporation except as authorized by this act shall, directly or indirectly, charge, contract for, or receive any interest or consideration greater than twelve per centum per annum upon the loan, use or forbearance of money, goods or choses in action, or upon the loan, use or sale of credit, of the amount or value of three hundred dollars or less. The foregoing prohibition shall apply to any person who, as security for any such loan, use or forbearance of money, goods or choses in action, or for any such loan, use or sale of credit, makes a pretended purchase of property from any person and permits the owner or pledgor to retain the possession thereof, or who, by any devise or pretense of charging for his services, or otherwise, seeks to obtain a greater compensation than is authorized by this act.

Sec. 14. Penalty for violations. Any person, and the several officers and employees of any corporation, who shall violate any of the foregoing prohibitions shall be guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than five hundred dollars or by imprisonment of not more than six months, or by both such fine and imprisonment in the discretion of the court.

Any licensee and any officer or employee of a licensee who shall violate any of the provisions of sections eight and nine of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than five hundred dollars or by imprisonment of not more than six months, or by both such fine and imprisonment in the discretion of the court.

Sec. 15. Loans made elsewhere in violation of this act not to be enforced in this state. No loan for which a greater rate of interest or charge than is allowed by this act has been contracted for or received, wherever made, shall be enforced in this state, and any person in any wise participating therein in this state shall be subject to the provisions of this act.

Sec. 16. Exceptions. This act shall not apply to any person, copartnership or corporation doing business under any law of this state or of the United States relating to banks, industrial banks, trust companies, or building and loan associations.

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Sec. 17. Examiner to be appointed to enforce law; compensation. For the enforcement of the provisions of this act the bank commissioner is authorized to appoint an examiner, the amount of his compensation to be subject to the approval of the governor and council, who shall also receive his necessary traveling expenses. The salary and traveling expenses, before mentioned, shall be paid out of the fees received from licenses issued under the provisions of this act, and the balance of the fees shall be paid in to the treasurer of state.

Sec. 18. Invalidity of any particular portions not to affect entire act. The invalidity of any portion of this act shall not affect the validity of any other portions thereof which may be given effect without such invalid portion.

Sec. 19. Inconsistent statutes repealed. Section forty-two of chapter forty of the revised statutes, and all other acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

Approved April 7, 1917.

Chapter 299.

An Act to Amend Chapter One Hundred and Twenty-one of the Public Laws of Nineteen Hundred and Seventeen Entitled, "An Act to Amend Section Seventeen of Chapter Twelve of the Revised Statutes, Providing for Notice by Registers of Deeds to Municipal Officers of Real Estate Transfers."

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

P. L. 1917, c. 121, amending R. S., c. 12, § 17, relating to notice of local assessors of real estate transfers by registers of deeds, amended. Section seventeen of chapter twelve of the revised statutes, as amended by chapter one hundred and twenty-one of the public laws of nineteen hundred and seventeen, is further amended by striking out the last two sentences of said amended section so that as further amended it shall read as follows:

'**Sec. 17. Provision as to notification of local assessors repealed.** Every register shall, at the time of receiving any deed or instrument for record, certify thereon the day and the time of day when it was received and filed; every such paper shall be considered as recorded at the time when it was received and such time shall be entered on the record thereof. Within one hour after its delivery to him, the register shall enter such time, the names of the grantor and grantee, and their places of residence, the nature of the instrument, the amount of the consideration named therein and the name of the town or incorporated place as shown by the instrument, in which the property conveyed is located, in a book kept for that purpose, and open to inspection in business hours; and he shall suffer no deed or instrument for the conveyance of real estate to be altered, amended or withdrawn, until it is fully recorded and examined. The records may be attested by the volume, and it shall be deemed to be sufficient attestation of such records, when each volume bears the attest with the written signature of the register or other person authorized by law to attest such records.'

Approved April 7, 1917.