

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ACTS AND RESOLVES

AS PASSED BY THE

Eighty - Third Legislature

OF THE

STATE OF MAINE

1927

Published by the Secretary of State, in accordance with the Resolves of the Legislature approved June 28, 1820, March 18, 1840, and March 16, 1842.

KENNEBEC JOURNAL PRINT SHOP
AUGUSTA, MAINE

1927

PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Eighty-third Legislature

1927

[supplied from page 1 of volume]

CHAP. 66

right of the town to enter upon said lot and remove said school house at any time within six months after said demand. And any town or city may take real estate for the enlargement or extension of any location designated for the erection or removal of a school house and requisite buildings and playgrounds, as herein provided; but no real estate shall be so taken within fifty feet of a dwelling house, and all school house lots and playgrounds that require fencing shall be fenced by the town or city."

Approved April 1, 1927.

Chapter 66.

An Act Legalizing the Guaranteed Mortgage Bond as an Investment for the Savings Banks of Maine.

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

P. L., 1923, c. 144, sec. 27; relating to investments of savings banks deposits, amended; investments in guaranteed mortgage bonds permitted; conditions and requirements. Section twenty-seven of chapter one hundred and forty-four of the public laws of nineteen hundred and twenty-three is hereby amended by adding thereto the following subdivision to be numbered XVII.

'XVII. GUARANTEED MORTGAGE BONDS.

In bonds or notes which are the obligations of a mortgage company having a capital and surplus of not less than two hundred thousand dollars organized under the laws of any of the United States and engaged in the real estate mortgage business within the United States, subject to the following conditions:

The total amount of such bonds or notes shall not exceed fifteen times the combined capital and surplus of the mortgage company, and such bonds or notes shall mature within ten years of the date of issue.

Such bonds or notes shall be guaranteed as to principal and interest by endorsement on each bond or note by a banking or surety company organized either under the banking or insurance laws of any of the United States (hereinafter called the guaranteeing company) authorized to do business in this state and having a combined capital and surplus of not less than ten million dollars and independent of the mortgage company.

No bonds shall be qualified under this act which bear the guarantee of any company which has outstanding bonds guaranteed by it in excess of fifteen times its combined capital and surplus.

Such bonds or notes shall be secured by a deposit with a bank or trust

company as trustee of either (a) a closed first mortgage or closed first mortgages on improved real estate capable of producing income owned in fee, or (b) cash, obligations of the United States or other bonds legal for savings banks in the New England States, New York or New Jersey.

The aggregate of the mortgages at face value, the cash, and securities at market value shall be not less than one hundred per cent. of the principal amount of said bonds or notes outstanding.

The mortgages deposited as security to secure said bonds or notes shall mature before the maturity of the bonds or notes which they secure and shall constitute a closed first mortgage or closed first mortgages on improved real estate, (improved real estate as herein defined shall consist of land owned in fee and the buildings actually constructed thereon and shall not include farm property, churches, factories, clubs, business garages, hotels, theaters, or hospitals); the face value of each mortgage deposited shall be in amount not more than sixty per cent. of the market value of the property upon which it is secured, such value to be established by independent appraisers approved by the guaranteeing company, and no one mortgage shall exceed one hundred thousand dollars.

The guaranteeing company shall inspect and approve each mortgage before it is deposited as security for said bonds or notes.

The trustee shall be a bank or trust company in the United States having a combined capital and surplus of not less than one million dollars, and be independent of the mortgage or guaranteeing company.

The mortgage company shall have the right to make changes or substitutions in the collateral deposited as security to secure said bonds or notes, the guaranteeing company and trustee first inspecting and approving the change or substitution in the collateral.

Policies of insurance adequately covering each mortgaged building against damage by fire shall be deposited with the trustee, and tornado and earthquake insurance policies shall be deposited with the trustee on mortgages secured by property in states where such insurance is customarily required.

Titles to the mortgage properties shall be guaranteed by a title insurance company approved by the bank commissioner of Maine.

Not more than ten per cent of the deposits of any one bank shall be invested in the bonds or notes authorized by this subdivision, and said bonds or notes legalized hereunder are subject to the provisions relating to certificates of legality as set forth in subdivision sixteen of section twenty-seven of chapter one hundred and forty-four of the public laws of nineteen hundred and twenty-three.