

# MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Eighty-sixth and Eighty-seventh  
Legislatures

OF THE

STATE OF MAINE

From April 1, 1933, to April 6, 1935

AND MISCELLANEOUS STATE PAPERS

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Published by the Secretary of State, in conjunction  
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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

As Passed by the Eighty-Sixth Legislature

AT THE  
SPECIAL SESSION, DECEMBER 4-20

**1933**

Supplementary to Public Laws of the Regular Session and Special  
Session of November 14.

[supplied from page 23 of volume]

## CHAP. 273

emergency under the meaning of section 16 of Article XXXI of the constitution of Maine, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety,

Now, therefore,

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

R. S., c. 57, § 28, amended. Section 28 of chapter 57 of the revised statutes is hereby amended to read as follows:

**'Sec. 28. May acquire and hold stocks, bonds and other securities not authorized by law, to avoid loss. Savings banks, and institutions for savings, loan and building associations, and trust companies organized under provisions of this chapter, may acquire and hold stocks, bonds, and other securities not authorized by law, hereafter acquired in settlements and reorganizations and accepted to reduce or avoid loss on defaulted loans and investments held by said banks, and institutions, associations and trust companies, and may continue to hold such stocks, bonds, and other securities heretofore so acquired, and all other investments lawfully acquired, and shall not be obliged to sell or dispose of the same except at such times and in such manner as will prevent unnecessary loss or embarrassment to the business of the bank, or institution, association or trust company.'**

**Emergency clause.** In view of the emergency as set forth in the above preamble, this act shall take effect when approved.

Approved December 15, 1933.

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### Chapter 273.

#### AN ACT Authorizing Loan and Building Associations to Assign or Exchange Home Mortgages for Bonds Issued by Home Owners' Loan Corporation.

**Emergency preamble.** Whereas, the existing financial depression has resulted in greatly restricted credit for home mortgage financing, and

Whereas, many home owners throughout the state of Maine, are now in distress with their mortgage indebtedness by reason of such depression, unemployment and other conditions beyond their control, and are thereby in immediate danger of losing their homes by foreclosure or other process of law, and

Whereas, Congress passed an act approved June 13, 1933, entitled Home Owners' Loan Act of 1933, for the purpose of providing emergency relief with respect to home mortgage indebtedness, to refinance home mort-

gages, and to extend relief to the owners of homes who are unable to amortize their debt elsewhere, and

Whereas, loan and building associations appear to have no authority under the existing laws to accept in exchange for mortgages, bonds issued by the Home Owners' Loan Corporation created under authority of the Home Owners' Loan Act of 1933, and

Whereas, such lack of authority is impeding the progress of the work of the Home Owners' Loan Corporation in the state of Maine, and preventing the Home Owners' Loan Corporation from saving homes in accordance with the intent and purposes of the Home Owners' Loan Act of 1933, and

Whereas, in the judgment of the legislature, these facts create an emergency under the meaning of section 16 of Article XXXI of the constitution of Maine, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety.

Now, therefore,

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

**R. S., c. 57, § III, amended.** Section III of chapter 57 of the revised statutes is hereby amended to read as follows:

**'Sec. III. Security for loans; condition of note and mortgage; shares alone may be pledged as security; if borrower fails to offer security, loan to be forfeited; notes and mortgages may be assigned in exchange for Home Owners' Loan Corporation bonds.** For every loan made, a note secured by first mortgage of real estate shall be given, accompanied by a transfer and pledge of the shares of the borrower. The shares so pledged shall be held by the association as collateral security for the performance of the conditions of the note and mortgage. Said note and mortgage shall recite the number of shares pledged, and the amount of money advanced thereon, and shall be conditioned for the payment, at the stated meetings of the corporation, of the monthly dues on said shares, and the interest and premiums upon the loan, together with all fines on payments in arrears, until said loan has been repaid; provided, that the shares, without other security, may, in the discretion of the directors, be pledged as security for loans, to an amount not exceeding their value as adjusted in the last adjustment and valuation of shares before the time of the loan. If the borrower neglects to offer security, satisfactory to the directors, within the time prescribed by the by-laws, his right to the loan shall be forfeited, and he shall be charged with one month's interest and one month's premium at the rate bid by him, together with all expenses, if any, incurred, and the money appropriated for such loan may be reloaned at the next or any subsequent meeting. **Any such note and mortgage taken by any loan and building**

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association may, in the discretion of the directors thereof, be assigned to the Home Owners' Loan Corporation as created by an act of Congress known as the Home Owners' Loan Act of 1933, in exchange for bonds issued or to be issued by said Home Owners' Loan Corporation or said note and mortgage so taken by any loan and building association may, in the discretion of its directors, be exchanged for said bonds so issued or to be issued by the Home Owners' Loan Corporation under the provisions of said act of Congress known as Home Owners' Loan Act of 1933, approved June 13, 1933.'

**Emergency clause.** In view of the emergency as set forth in the above preamble, this act shall take effect when approved.

Approved December 15, 1933.

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## Chapter 274.

### AN ACT to Provide for the Authority of a Receiver in Possession.

**Emergency preamble.** Whereas, the banking situation in this state appears to require that receivers of banks undergoing liquidation should be authorized to issue notes to borrow money to pay dividends to depositors and to dispose of the same; and

Whereas, the necessary requirements do not appear to be fully met by the existing law, in order to make immediately available to receivers of banks undergoing liquidation the privilege of issuing notes to borrow money to pay dividends to depositors and to promote the industrial and commercial welfare and prosperity of our state, it is necessary that the enactment of the following act additional to the banking laws should become effective forthwith; and

Whereas, in the judgment of the legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety, now, therefore

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

**Authority of a receiver in possession.** Upon taking possession of the property and business of a bank or trust company, the receiver may collect moneys due to the bank, and do all acts necessary to conserve its assets and business, and shall proceed to liquidate its affairs as hereinafter provided. He shall collect all debts due and claims belonging to it, and upon the order or decree of the supreme judicial or of the superior court, or any