

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

Published by the Secretary of State, in conjunction
with the Revisor of Statutes in accordance with the
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1935

PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Eighty-Seventh Legislature

1935

[supplied from page 201 of volume]

CHAP. 42

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, § 108-B, additional. Chapter 57 of the revised statutes is hereby amended by adding a new section to be known as section 108-B, which shall read as follows:

'Sec. 108-B. National Housing Act made applicable. Loan and building associations may make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for insurance pursuant to the provisions of Title I of the National Housing Act approved June 27, 1934; to make such loans secured by mortgages on real estate as are eligible for insurance pursuant to the provisions of Title II of said National Housing Act; and they are also hereby authorized to secure insurance from the Federal Savings and Loan Insurance Corporation pursuant to the provisions of Title IV of said National Housing Act.'

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

Approved March 15, 1935.

Chapter 42.

AN ACT to Amend the Law Relating to Loan and Building Associations.

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

R. S., c. 57, § 107, amended. Section 107 of chapter 57 of the revised statutes is hereby amended to read as follows:

'Sec. 107. When shares reach maturity, holders to be paid value; shares subject to lien for unpaid dues. When each unpledged share of a given series reaches the value of \$200, all payment of dues thereon shall cease, and the holder thereof shall be paid out of the funds of the association, \$200 therefor, with interest at the rate of not less than 3% nor more than 6% a year from the time of such maturity to the time of payment, or the shareholder may at his option continue the same under the permanent plan; provided, that at no time shall more than ½ of the funds in the treasury be applicable to the payment of such matured shares, without the consent of the directors, and that before paying matured shares, all arrears and fines shall be deducted. Every share shall be subject to a lien for the payment of any unpaid dues, fines, interest, premiums and other charges received thereon, which may be enforced in the manner hereinafter pro-

vided. Any association may permit the holders of matured shares issued on the serial plan to allow the same to remain after maturity, giving proper certificates therefor, but the amount due on matured shares so permitted to remain may not be demanded except upon one month's notice of such intention, if required by the association.'

Approved March 15, 1935.

Chapter 43.

AN ACT to Amend the Law Relating to Loan and Building Associations.

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

R. S., c. 57, § 108, amended. Section 108 of chapter 57 of the revised statutes is hereby amended to read as follows:

'Sec. 108. Board of directors to invest funds and fix rates of interest; members may make loans; rate of interest; investment of balance. The board of directors shall see to the proper investment of the funds of the association, as provided in this section. After due allowance for all necessary and proper expenses, and for the withdrawal of shares, the moneys of the association shall be loaned to the members at a rate of monthly premium to be fixed by the directors, which shall in no case exceed 40c a share. Any member may, upon giving security satisfactory to the directors, receive a loan of \$200 or \$300 for each share held by him, or such fractional part of \$200 or \$300 as the by-laws may allow. Any association may provide in its by-laws that instead of the interest and premium, a stated rate of annual interest of not less than 5%, nor more than 8%, may be charged upon the sum desired, payable in monthly instalments. Such rate shall include the whole interest and premium to be paid upon the loan. Loans on real estate may also be made to members repayable in monthly instalments sufficient to amortize the same, paying off interest and principal in not less than 5 years nor more than 20 years. The mortgage and mortgage note shall require a monthly payment sufficient to amortize the debt in said periods and such payments shall be applied first to the interest on the unpaid balance of the debt, and the remainder to the unpaid principal of the debt, until the same is paid in full. Any balance remaining unloaned to members may be invested in such securities as are legal for the investment of deposits in savings banks, or with the approval of the bank commissioner may be loaned in whole or in part to other loan and building associations in this state. No loan shall be made on the gross premium plan.'

Approved March 15, 1935.