

# MAINE STATE LEGISLATURE

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# ACTS AND RESOLVES

AS PASSED BY THE

## One Hundred and First Legislature

OF THE

# STATE OF MAINE

Published by the Director of Legislative Research in accordance with the Revised Statutes of 1954, Chapter 10, Section 27, Subsection VI.

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The Knowlton and McLeary Company  
Farmington, Maine  
1963

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PUBLIC LAWS  
OF THE  
STATE OF MAINE

As Passed by the One Hundred and First Legislature

1963

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## Chapter 83

### AN ACT Relating to Capital Stock of Industrial Banks.

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

**R. S., c. 59, § 203, amended.** The first sentence of section 203 of chapter 59 of the Revised Statutes is amended to read as follows:

'The capital stock of an industrial bank shall not be less than ~~\$25,000~~ \$50,000 in any town or city having a population of less than 50,000 inhabitants, and shall not be less than ~~\$50,000~~ \$100,000 in any town or city having 50,000 or more inhabitants and less than 150,000 inhabitants, and shall not be less than ~~\$100,000~~ \$200,000 in any town or city having 150,000 inhabitants or more, according to the last official census.'

Effective September 21, 1963

## Chapter 84

### AN ACT Relating to Participation Loans, Other Than Real Estate, by Savings Banks.

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

**R. S., c. 59, § 19-H, sub-§ IV, additional.** Section 19-H of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 380 of the public laws of 1955, is amended by adding a new subsection IV, to read as follows:

#### **IV. Participation loans, other than real estate.**

A. A savings bank may purchase participations in term loans other than real estate, secured or unsecured, from national banks or trust companies located in this State, the proceeds of which are to be used in the establishing or carrying on of a business venture of any kind located principally within this State, provided that:

1. No participation in any one loan shall exceed 75% of the amount of the loan;
2. The total participations in loans to any one borrower shall not exceed 1% of total deposits; and
3. The aggregate outstanding balance of loans made under this subsection shall not at any one time exceed 10% of total deposits.

B. Disbursement, collection, custody of documents and all other matters relating to the originating and servicing of a loan during its term may be administered in any manner agreed upon by the participants with or without fees, provided that each loan shall be:

1. Evidenced by a participation certificate signed by the selling bank;
  2. Supported by a warranty of the selling bank to service the loan throughout its entire term, and to maintain at all times a minimum participation of 25% of the outstanding loan balance;
  3. Supported by a comprehensive analysis, prepared by the selling bank and furnished to the purchasing bank, of balance sheets, earnings statements and surplus reconciliations covering the most recent 5 years of operations, or for the number of years in business if less than 5; and
  4. Further supported by a report, prepared at least annually, of the loan, its security, if any, and the financial status of the borrower.
- C. All loans under this subsection shall be made subject to a specific repayment schedule.'

Effective September 21, 1963

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## Chapter 85

### AN ACT Revising the Savings and Loan Laws.

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

**Sec. 1. R. S., c. 38-B, § 12, amended.** Section 12 of chapter 38-B of the Revised Statutes, as enacted by section 1 of chapter 421 of the public laws of 1957, is amended to read as follows:

'**Sec. 12. Mortgages eligible for investment.** Mortgages insured by the authority of this chapter are made legal investments for all insurance companies, trust companies, banks, investment companies, savings banks, savings and loan associations, executors, trustees and other fiduciaries, pension or retirement funds.'

**Sec. 2. R. S., c. 59, § 157-P, amended.** Section 157-P of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 198 of the public laws of 1961, is amended to read as follows:

'**Sec. 157-P. Membership.** The members of an association shall be those in whose names accounts are established, and persons borrowing from or assuming or obligated upon a loan held by an association or purchasing property ~~securing a loan~~ and assuming the secured loan held by an association. A joint and survivorship relationship and a successor relationship, whether investors or borrowers, shall constitute a single membership.'

**Sec. 3. R. S., c. 59, § 157-Q, repealed and replaced.** Section 157-Q of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 198 of the public laws of 1961, is repealed and the following enacted in place thereof: