

# MAINE STATE LEGISLATURE

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LAWS  
OF THE  
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND NINTH LEGISLATURE

FIRST REGULAR SESSION

January 3, 1979 to June 15, 1979

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work and has earned at least 8 times his weekly benefit amount or has been employed in employment by an employer for 5 full weeks.

Sec. 6. 26 MRSA § 1193, sub-§ 7, is amended to read:

7. **Discharged for crime.** For the period of unemployment next ensuing with respect to which he was discharged for conviction of felony or misdemeanor in connection with his work. The ineligibility of such individual shall continue for all weeks subsequent until such individual has thereafter earned not less than \$400 in employment by an employer.

Effective September 14, 1979

## CHAPTER 429

S. P. 450 — L. D. 1413

### AN ACT to Amend Financial Institutions and Credit Union Laws.

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

Sec. 1. 9-B MRSA § 222, sub-§ 2, as enacted by PL 1975, c. 500, § 1, is amended by adding at the end the following new sentence:

Once a person has been designated as the chief executive officer, it is not necessary to submit a notice of reelection or redesignation after each annual meeting.

Sec. 2. 9-B MRSA § 222, sub-§ 3, ¶ A, 4th sentence, as enacted by PL 1975, c. 500, § 1, is repealed as follows:

~~The correctness of the report shall be attested by the signatures of at least three of the institution's directors other than the officer making such declaration, together with a declaration that the report has been examined by them and to the best of their knowledge and belief is true and correct~~

Sec. 3. 9-B MRSA § 223, sub-§ 1, as amended by PL 1975, c. 666, § 6, is further amended by adding at the end the following new sentences:

The annual publication of the balance sheet and income statement prepared for federal authorities shall be acceptable for fulfilling the requirements of this section. It is preferred that these compilations be published simultaneously and in adjoining spaces in the newspaper selected.

Sec. 4. 9-B MRSA § 232, sub-§ 5, ¶ A, as enacted by PL 1975, c. 500, § 1, is amended to read:

A. The superintendent shall hold a hearing at the time and place specified in the notice required under subsection 2, such hearing to be ~~conducted in accordance with section 254~~ **governed by the Maine Administrative Procedure Act, Title 5, chapter 375, subchapter IV.**

Sec. 5. 9-B MRSA § 232, sub-§ 5, ¶ D, as enacted by PL 1975, c. 500, § 1, is amended to read:

D. Notwithstanding any provision to the contrary ~~in section 254~~, **as prescribed by the Maine Administrative Procedure Act, Title 5, subchapter IV**, such order shall be issued not later than 30 days after the close of the hearing if any, held pursuant to this section.

Sec. 6. 9-B MRSA § 317, sub-§ 1, first sentence, as enacted by PL 1975, c. 500, § 1, is amended to read:

Unless another manner for election is provided in the bylaws, the board of directors ~~shall~~ **may** elect annually, from its members, a chairman and **shall elect annually**, from its members or otherwise, a president, one or more vice presidents, a clerk or secretary, a treasurer and such other officers as it may deem advisable. **In the event the bylaws do not provide for the election of a chairman or the board of directors does not elect a chairman, the president shall serve as ex officio chairman.**

Sec. 7. 9-B MRSA § 337, sub-§§ 1 and 2, as enacted by PL 1975, c. 500, § 1, are amended to read:

1. **Authority.** A financial institution may invest in improved or unimproved real estate, and in the erection or improvement of buildings thereon, together with, **furniture, fixtures, equipment and capitalized leases on any fixed asset items** for the purpose of providing offices or facilities for transaction of the institution's authorized business; and such buildings may include space for rental purposes.

2. **Limitations.** Real estate ~~investments~~, **furniture, fixtures, equipment and capitalized leases, combined, made** pursuant to subsection 1 shall not exceed ~~50%~~ **60%** of its total capital and reserves in the case of an institution organized pursuant to chapter 31, or ~~50%~~ **60%** of its surplus account in the case of an institution organized pursuant to chapter 32; provided that the superintendent may approve in writing, upon application by an institution and for good cause shown, a greater percentage.

Sec. 8. 9-B MRSA § 339, sub-§ 1, 2nd sentence, as enacted by PL 1977, c. 152, § 2, is amended to read:

The use of a bank employee to transport deposits from an elementary or secondary school to a financial institution or the use of a bonded carrier to transport a commercial deposit from a ~~corporation's~~ **customer's** place of

business, a state department or agency or a subdivision of the State to an office of a financial institution, whether paid for by the customer or the financial institution, shall not be construed as the establishment or operation of a mobile branch.

**Sec. 9. 9-B MRSA § 438, sub-§ 1**, as enacted by PL 1975, c. 500, § 1, is amended to read:

**1. Authorization.** A financial institution may loan or sell to any ~~commercial bank~~ **other financial institution** insured by the Federal Deposit Insurance Corporation, **the Federal Savings and Loan Insurance Corporation** or to the Federal Home Loan Bank of which it is a member, deposits which it maintains with insured commercial banks, a Federal Reserve Bank, or a Federal Home Loan Bank.

**Sec. 10. 9-B MRSA § 532, sub-§ 7** is enacted to read:

**7. Individual borrower loan limitations.**

**A.** No savings bank shall loan to any person, firm, business syndicate or corporation or person and affiliated corporation or corporations, an amount or amounts, at any time outstanding, in excess of 10% of its total surplus and reserve accounts, except on the approval of a majority of its entire board of directors or executive committee, unless the debt is secured by collateral which shall be of value equal to the excess of the loans above 10%; and in no event shall the total amount of loans to any person, firm, business syndicate or corporation or person and affiliated corporation or corporations exceed 20% of the amount set forth in this section.

**B.** In determining the amount, and in addition to the persons or parties described in paragraph A who are original promisors, every person, firm, syndicate or corporation appearing on any loan as endorser, guarantor or surety shall also be regarded as an original promisor. Where all original promisors are excused from personal liability for repayment of a loan, then a lessee whose lease is taken by assignment by the savings bank as security therefor shall be regarded as an original promisor, but only to a fraction of the applicable loan, the fraction being the amount of annual basic rent payable by the lessee over the annual gross income produced by the security.

**C.** The following items shall be excluded from the limitation set forth in subsection 1 and shall not be considered as a loan within subsection 1:

- (1) The discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, the renewal or renewals in whole or in part of the commercial or business paper so discounted for periods not exceeding in all 3 years for any such paper;

(2) Loans to municipal corporations located within this State upon their bonds or notes;

(3) Any loan or loans to the extent that they are secured or covered by guarantees or by commitments or agreements to take over or purchase the same, made by any Federal Reserve Bank or by the United States or State of Maine or any department, bureau, board, commission, agency, authority, instrumentality or establishment of the United States or State of Maine, including any corporation owned directly or indirectly by the United States or State of Maine; any loan or loans to the extent that they are participated out by a savings bank according to law; and any loan or loans by a savings bank to the extent that they are legally committed to be purchased by any financial institution, corporation or other business entity or governmental department, authority or agency duly authorized by any federal law or state law of the United States of America;

(4) Obligations as endorser, with or without recourse, or as guarantor, conditional or unconditional, of dealer-originated obligations.

(5) Sales of federal funds, interbank deposits and clearings;

(6) Loans to the extent secured by deposits or the cash surrender value of a life insurance policy; and

(7) With respect to any loan or loans where an original promisor, as defined in this subsection, is excused from personal liability for repayment of the loan, then the loan shall not be charged against the original promisor in making the computation under paragraph A.

D. In all cases where loans in excess of the 10% are granted without collateral, the records of the institution shall show who voted in favor thereof, and the records and those required by section 222 shall constitute prima facie evidence of the truth of all facts stated therein in prosecutions and civil actions to enforce the several provisions and penalties enumerated in section 465, subsection 1.

Sec. 11. 9-B MRSA § 673, as enacted by PL 1975, c. 500, § 1, is further amended by adding at the end the following new sentence:

This section shall not apply to out-of-state banks, corporations, partnerships, etc., which in the ordinary course of their business have to file with the Secretary of State, Corporation Records Division, in processing the routine disposition of assets acquired by legitimate business dealings, or to these organizations providing services to financial institutions or credit unions authorized to do business in Maine, provided these organizations obtain the prior written approval of the superintendent to allow the filing with the Secretary of State.

Sec. 12. 9-B MRSA § 844, sub-§ 2, ¶ A, as enacted by PL 1975, c. 500, § 1, is repealed and the following enacted in its place:

A. At least once in every 3 years, or more often if required by National Credit Union Administration law, rules or regulations, the supervisory committee shall verify or cause to be verified, 100% of the share and deposit accounts of members of the credit union and a report of the verification shall be made to the superintendent within 30 days of the completion of the verification.

Sec. 13. 9-B MRSA § 862, sub-§ 2, as enacted by PL 1975, c. 500, § 1, is amended to read:

2. **Legal investments for savings banks.** Bonds, notes, bills or other obligations, direct or indirect, of the United States or of any state or political subdivision thereof, or bankers' acceptances; provided that such are, at the time of purchase by the credit union, legal investments for savings banks in this State pursuant to sections section 532, subsections 3 and 4 section 552; section 553, subsections 1 and 2; section 554, subsection 1, paragraph A; or section 555, subsection 3; and

Sec. 14. 9-B MRSA § 871, sub-§ 2, ¶ C is enacted to read:

C. In the event that the federal corporation insuring the credit union's shares or accounts pursuant to section 836 accepts an appointment as conservator, the corporation shall acquire both legal and equitable title to all assets, rights or claims and to all real and personal property of the credit union to the extent necessary for the corporation to perform its duties as conservator or as may be necessary under applicable federal law to effectuate the appointment. If the corporation pays or makes available for payment the insured share liabilities of a credit union by reason of actions taken pursuant to this section, the corporation shall be subrogated to the rights of all the shareholders of the credit union, whether or not it has become conservator thereof, in the same manner and to the same extent as it would be subrogated in the conservation of a credit union operating under a federal charter and insured by the corporation.

Effective September 14, 1979

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## CHAPTER 430

S. P. 132 — L. D. 309

AN ACT Concerning the Financial Responsibility Laws.

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