

§464. Loans on shares of stock

1. Prohibition. A financial institution shall not make loans or discounts on the security of the shares of its own capital stock or the capital stock of its parent holding company or its subsidiaries, if any, nor shall an institution be the purchaser or holder of any such shares unless necessary to prevent loss upon a debt previously contracted for in good faith, and all stock so acquired shall be disposed of at public or private sale within one year after its acquisition, in accordance with such requirements as the superintendent deems appropriate.

[PL 1975, c. 500, §1 (NEW).]

2. Extension of time for disposition of shares. The time for disposition of shares acquired in subsection 1 may be extended by the superintendent for good cause shown, upon application in writing to the superintendent.

[PL 1975, c. 500, §1 (NEW).]

3. Purchase of own shares. Nothing in this section shall be construed as prohibiting an institution, with the prior written approval of the superintendent, from:

A. Redeeming shares of its capital stock of any type pursuant to provisions of its bylaws or articles of incorporation; [PL 1977, c. 152, §4 (NEW).]

B. Purchasing shares of its capital stock of any type for the purpose of reducing its outstanding shares pursuant to provisions of its bylaws or articles of incorporation; or [PL 1977, c. 152, §4 (NEW).]

C. Purchasing shares of any type of its own capital stock or the capital stock of its parent financial institution holding company pursuant to any stock option plan, stock bonus plan or other incentive plan for any or all directors, officers and employees duly adopted by the financial institution's board of directors. [PL 1975, c. 546, §48 (AMD).]

[PL 1977, c. 564, §48 (AMD).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1977, c. 152, §4 (AMD). PL 1977, c. 564, §48 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November 1, 2023. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.