

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FOUR

—
S.P. 783 - L.D. 1921

An Act to Amend the Laws Regarding State-chartered Credit Unions

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

Sec. 1. 9-B MRSA §823, sub-§1, as enacted by PL 1975, c. 550, §1, is amended to read:

1. Sale of negotiable checks and money orders instruments. A credit union may engage directly in the business of selling, issuing or registering ~~checks or money orders~~ negotiable instruments to its members.

Sec. 2. 9-B MRSA §842, sub-§2, as amended by PL 2003, c. 322, §§29 to 31, is further amended to read:

2. Powers and duties. The board of directors shall manage the affairs, funds and records of the credit union and shall meet as often as necessary, but not less than once a month, notice of ~~such~~ the meeting to be made in the manner prescribed in the bylaws. The superintendent may approve fewer meetings upon a credit union's demonstration of good cause. As set forth below, the special duties of the board of directors ~~shall be~~ are:

A. To act upon applications for membership, or to appoint a membership committee of one or more membership officers from among the members of the credit union, other than the treasurer, an assistant treasurer or loan officer, who may be authorized by the board to approve applications for membership under such conditions as the board may prescribe; ~~provided, as long as~~ as long as that ~~such~~ committee or membership officer ~~so authorized shall submit~~ submits to the board at each ~~monthly~~ meeting a list of approved or pending applications for membership received since the previous ~~monthly~~ meeting, together with ~~such~~ other related information as the bylaws or board may require;

B. To fix from time to time the maximum amount, both secured and unsecured, ~~which~~ that may be loaned to any one member, except as limited by chapter 85, and to establish a written loan policy pursuant to section 851, which must be reviewed and ratified at least annually;

C. To authorize the employment of ~~such~~ a person or persons as may be necessary to carry on the business of the credit union; and to fix the compensation of ~~such~~ those employees, including the treasurer;

- D. To borrow money to carry on the functions of the credit union, subject to the limitation set forth in section 822;
- E. To authorize the conveyance of property;
- F. To purchase a blanket bond in an amount ~~which that~~ is not less than an amount recommended by the superintendent, which ~~shall~~ must be required of the treasurer and of each other officer and other employee having custody of funds or property;
- G. To limit the number of shares that may be owned by one member or nonmember as provided in section 817, and ~~such that~~ limitation must be applied uniformly;
- H. To have charge of the investment of funds and to establish a written investment policy pursuant to section 861, which must be reviewed and ratified at least annually;
- I. To perform such other duties as the members may from time to time require;
- J. To appoint a supervisory committee of not ~~less~~ fewer than 3 members, not more than one member of which may be a director. If the duties of the supervisory committee are conducted by an independent public accountant and the board has contracted for an annual audit by an independent public accountant pursuant to section 844, a supervisory committee need not be appointed;
- K. To appoint a credit committee of not ~~less~~ fewer than 3 members; or to establish a written loan policy ~~which that~~ provides for the designation of one or more loan officers in lieu of a credit committee and ~~with~~ provides that all loans are subject to ratification by the full board;
- L. To appoint an executive committee, when the bylaws so provide, consisting of not ~~less~~ fewer than 3 members of the board with authority to invest funds or borrow in the name of the credit union, except that the board may establish a written investment policy ~~which that~~ provides for the designation of a qualified individual to have charge of making investments, subject to ratification by the full board;
- M. To suspend any or all members of the credit and supervisory committees for failure to perform their duties;
- N. To fill vacancies occurring between annual meetings in the board of directors and in the credit committee and supervisory committee until the election or appointment and qualification of their successors;
- O. To establish and provide for compensation of loan officers appointed by the credit committee; and ~~of~~ for auditing assistance requested by the supervisory committee;
- P. To designate a depository or depositories for the funds of the credit union;
- Q. To declare dividends in the way and manner provided in the bylaws and in accordance with this Part;
- R. To determine from time to time the rate of interest consistent with the laws of this State ~~which shall that must~~ be charged on loans; ~~and to determine from time to time~~ and the amount of interest rebate and the interval on which such rebate, if any, ~~shall be~~ is computed; and
- S. To perform or authorize any action consistent with this Part not specifically reserved by the bylaws for the members.

Sec. 3. 9-B MRSA §847, sub-§1, as amended by PL 2017, c. 143, §9, is repealed and the following enacted in its place:

1. Grounds for expulsion. A manager or chief executive officer of a credit union may expel from the credit union any member who:

- A. Has not carried out the member's engagement with the credit union;
- B. Has been convicted of a criminal offense;
- C. Neglects or refuses to comply with the provisions of this Part or the bylaws of the credit union;
- D. Has deceived the credit union or a committee of the credit union with regard to the use of borrowed money;
- E. Has substantially and repeatedly violated the official policies of the credit union;
- F. Has demonstrated dangerous, threatening or abusive behavior, as defined in rules adopted by the National Credit Union Administration, in such a way as to disrupt the operations of the credit union; or
- G. Has been convicted of fraud, attempted fraud, conspiracy to commit fraud or other illegal conduct in relation to the credit union, including illegal conduct in which an employee of the credit union was conducting business on behalf of the credit union.

Sec. 4. 9-B MRSA §847, sub-§4 is enacted to read:

4. Expulsion policy; appealing an expulsion. The manager or chief executive officer of a credit union shall inform an expelled member of the grounds for the expulsion, and the expelled member may appeal the expulsion to the board of directors. A decision by the board regarding an expulsion is final. By January 1, 2025, the board of directors of a credit union shall establish a written expulsion policy and expulsion appeals process that clearly informs members of a member's right to appeal an expulsion decision. The credit union shall annually provide the expulsion policy and expulsion appeals process to members of the credit union.

Sec. 5. 9-B MRSA §856, as enacted by PL 1975, c. 500, §1, is amended to read:

§856. Loans to other credit unions

Subject to the approval of its board of directors, a credit union may make loans to other credit unions ~~located in this State; provided that~~ and to credit unions organized pursuant to provisions of federal law or credit unions organized under the laws of another state as long as the aggregate loans outstanding at any one time to any one credit union ~~shall~~ do not exceed 10% of the share capital and surplus of the lending credit union.