

CHAPTER 91

INDUSTRIAL BANKS

§911. Definition

"Industrial bank" means a corporation organized under Title 9, Part 5 as repealed on October 1, 1975 and which was, on or before June 1, 1967, making loans and selling certificates of investment, either of fixed or uncertain term, and receiving payments in installments or otherwise, with or without an allowance of interest upon these installments. [RR 1997, c. 2, §38 (COR).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). RR 1997, c. 2, §38 (COR).

§912. Capital and management

1. Stock: classes; par value. The capital stock of an industrial bank shall have a par value \$100 for each share, and only one class of such stock shall be created.
[PL 1975, c. 500, §1 (NEW).]

2. Management. Except as otherwise provided in this chapter, the management and operations of an industrial bank must be conducted in accordance with the provisions of Title 13-C.
[RR 2001, c. 2, Pt. B, §17 (COR); RR 2001, c. 2, Pt. B, §58 (AFF).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). RR 2001, c. 2, §B17 (COR). RR 2001, c. 2, §B58 (AFF).

§913. Powers

In addition to the powers conferred upon corporations by the general corporations law of this State, an industrial bank shall have the power to: [PL 1975, c. 500, §1 (NEW).]

1. Borrow and lend. Borrow and to lend money, and discount notes and bills of exchange including trade acceptances;
[PL 1975, c. 500, §1 (NEW).]

2. Investments. Purchase, invest in, hold and sell such notes, bonds and securities as are legal for investments in accordance with the provisions of chapter 55.
[PL 1975, c. 500, §1 (NEW).]

3. FHA insured loans. Make such loans as are eligible for insurance pursuant to Title I of the National Housing Act, as amended, and to apply for and obtain insurance on said loans pursuant to said Act.
[PL 1979, c. 663, §55 (AMD).]

4. Certificates of investment. Sell certificates of investment, either of fixed or of uncertain term; and
[PL 1979, c. 663, §55 (AMD).]

5. Branches. Establish branch or agency offices in accordance with chapter 33; provided that the powers set forth in subsection 4 may only be exercised at branch or agency offices authorized and doing business on or before June 1, 1967.
[PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1979, c. 663, §55 (AMD).

§914. Insurance of certificates of investment

Every industrial bank shall comply with the requirements of section 422, relating to insurance of deposits, and shall be deemed a "financial institution" for purposes of that section. [PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW).

§915. Mergers, consolidations and acquisitions

1. Mergers and consolidations. An industrial bank may merge or consolidate with another industrial bank or a financial institution organized under the laws of this State except that any such merger or consolidation must be executed pursuant to the provisions of section 352 or 354 and is subject to the provisions of sections 357 and 358.
[PL 1997, c. 398, Pt. L, §14 (AMD).]

2. Acquisitions. An industrial bank may sell all or substantially all of its assets and liabilities to a financial institution organized under the laws of this State, or purchase all or substantially all of the assets and assume the liabilities of, another industrial bank; provided that such purchase or sale shall be executed pursuant to the provisions of section 355 and shall be subject to the provisions of sections 357 and 358.
[PL 1975, c. 500, §1 (NEW).]

3. Mergers into other corporations. Nothing contained in subsection 1 or 2 may be construed as prohibiting an industrial bank from merging or consolidating with, being acquired by, or selling its assets to a corporation or entity that is not enumerated in subsection 1 or 2; as long as the merger, consolidation, acquisition or sale is executed in accordance with the provisions of Title 13-C, and timely notice of that action is given to the superintendent; and as long as upon the effective date of the action, the industrial bank forfeits its charter as an industrial bank and ceases all activities as an industrial bank, which fact must be certified by the superintendent to the Secretary of State.
[RR 2001, c. 2, Pt. B, §18 (COR); RR 2001, c. 2, Pt. B, §58 (AFF).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §L14 (AMD). RR 2001, c. 2, §B18 (COR). RR 2001, c. 2, §B58 (AFF).

§916. Liquidations and conservation of assets

Industrial banks shall be subject to the provisions of chapter 36 relating to voluntary and involuntary liquidations, and the provisions of said chapter relating to conservation and segregation of assets. [PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW).

§917. Superintendent's authority

1. Supervision and examination. An industrial bank authorized to conduct business in this State shall be subject to the provisions of Part 2.
[PL 1975, c. 500, §1 (NEW).]

2. Interest rate ceilings. The superintendent shall have the power and authority to establish rate ceilings which shall govern the interest paid by an industrial bank on certificates of investment and other deposit accounts offered by such company. Regulations promulgated by the superintendent establishing such ceilings shall seek to maintain competitive equality among all financial institutions in this State.

[PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW).

§918. Unlawful acts

No industrial bank authorized to do business in this State shall: [PL 1975, c. 500, §1 (NEW).]

1. Loan limitations; rates of loan to capital and surplus. Hold at any one time the direct obligation or obligations of any one person, firm or corporation for more than 4% of the amount of total capital and reserves of such industrial bank or the indirect obligation or obligations of any one person, firm or corporation for more than 15% of the amount of total capital and reserves of such industrial bank. Nothing in this section shall be construed to limit the holdings of an industrial bank in the obligations of the United States or the State of Maine, and in amounts authorized by a vote of a majority of the directors or the executive committee. For the purpose of this section, bills of exchange, including trade acceptances, shall be deemed to be the direct obligations of the acceptors thereof and the indirect obligations of the drawers thereof.

[PL 1975, c. 500, §1 (NEW).]

2. Deposit of funds in other financial institutions. Deposit any of its funds with any other financial institution, unless such institution has been designated as such depository by a vote of a majority of the directors or of the executive committee, exclusive of any director who is an officer, director or trustee of the depository so designated; or

[PL 1979, c. 663, §56 (AMD).]

3. Borrowing limitations. Be at any time indebted for borrowed money to an amount in excess of 100% of its total capital and reserves, except that by vote of a majority of its entire board of directors or executive committee setting forth the reasons therefor, and upon receiving the written consent of the superintendent thereto, it may borrow money to redeem its certificates of investment or prevent loss by sale of assets, and may redeem rediscount notes, or pledge bonds, notes or other securities as collateral therefor. Copies of all votes authorizing such excess borrowing shall be promptly forwarded by the secretary to the superintendent. Rediscount shall be considered as borrowed money for the purpose of this section.

[PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1979, c. 663, §56 (AMD).

§919. Use of name "industrial bank"

No person, firm or corporation shall use, hold itself out as being, or advertise with the name "industrial bank", except that industrial banks which were properly authorized and doing business on or before June 1, 1967, may use such name at and in connection with their principal office and any branches which were so authorized and doing business on or before said date, and may continue to sell certificates of investment, either fixed or uncertain, and to receive payments in installments or otherwise, with or without an allowance of interest upon such installments, if doing business in such certificates on or before said date. [PL 1975, c. 500, §1 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW).

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 Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025. 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.