

## CHAPTER 32

### ORGANIZATION AND MANAGEMENT OF MUTUAL AND COOPERATIVE FINANCIAL INSTITUTIONS

#### §321. Applicability of chapter

The provisions of this chapter govern the organization and management of financial institutions operating as mutual or cooperative financial institutions. [PL 1997, c. 398, Pt. D, §2 (AMD).]

#### SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §D2 (AMD).

#### §322. Permission to organize

**1. Organizers.** Any number of persons, but not less than 20, all of whom must reside in or reside proximate to the geographic area to be served by the institutions, may agree in writing to associate themselves for the purpose of forming a mutual or cooperative financial institution pursuant to this chapter.

[PL 1997, c. 398, Pt. D, §3 (AMD).]

**2. Application to organize.** The organizers set forth in subsection 1 shall file with the superintendent an application for permission to organize a mutual or cooperative financial institution, which application must contain the following:

A. The name by which the institution will be known; [PL 1997, c. 398, Pt. D, §3 (AMD).]

B. The purpose for which it is to be formed, including whether the organizers seek a certificate of public convenience and advantage to conduct business as a financial institution. The organizers shall indicate in the application whether the institution will be organized as a mutual or cooperative financial institution; [PL 1997, c. 398, Pt. D, §3 (AMD).]

C. The city or town within this State where the institution's principal office is to be located; [PL 1975, c. 500, §1 (NEW).]

D. The proposed minimum amount of initial capital contributions to be deposited; [PL 1975, c. 500, §1 (NEW).]

E. The names, addresses and occupations of the directors of the institution who are to serve until the initial meeting of the members or corporators or until their successors are elected and qualified, and the names, addresses and occupations of the directors who will be voted on by the members or corporators at the initial meeting; [PL 1997, c. 398, Pt. D, §3 (AMD).]

F. A statement setting forth the name, address and occupation of each organizer, together with the amount of initial capital that such organizer shall deposit, subscribed to by said organizer; and [PL 1997, c. 398, Pt. D, §3 (AMD).]

G. Such additional information, including the reasons why an institution of the type specified in paragraph B is needed in the proposed location, as the superintendent may require. [PL 1997, c. 398, Pt. D, §3 (AMD).]

An application for permission to organize a mutual or cooperative financial institution may not be considered complete unless accompanied by an application fee of not more than \$5,000, payable to the Treasurer of State, to be credited and used as provided in section 214.

[PL 1997, c. 398, Pt. D, §3 (AMD).]

**3. Publication of notice.** After determining that the application required in subsection 2 is complete, the superintendent shall advise the organizers to publish within 15 days of such advice, a notice in such form as the superintendent may prescribe. Such notice shall appear at least once a week for 3 successive weeks in one or more newspapers of general circulation in the county where the financial institution is to be established, or in such other newspapers as the superintendent may designate. Such published notice shall specify the names, addresses and occupations of the organizers and directors, the type of institution to be organized, and the name of the institution and its location, as set forth in the application for permission to organize. The superintendent may require individual notice to any person or corporation, and may require that one of such publications contain the information required under section 252, subsection 2.

[PL 1975, c. 500, §1 (NEW).]

**4. Permission from superintendent.**

A. [PL 1997, c. 398, Pt. D, §4 (RP).]

B. In determining whether public convenience and advantage will be promoted by granting permission to organize the type of institution requested, the superintendent shall make his decision in accordance with section 253 pursuant to the procedures set forth in section 252. [PL 1975, c. 500, §1 (NEW).]

C. A grant of a certificate of public convenience and advantage and an order granting permission to organize may include such terms and conditions as the superintendent considers necessary, including, but not limited to, an increase in the amount of minimum capital deposits, pursuant to subsection 5. [PL 1997, c. 398, Pt. D, §5 (AMD).]

[PL 1997, c. 398, Pt. D, §§4, 5 (AMD).]

**5. Minimum initial capital contribution deposits.**

A. The certificate of public convenience and advantage and the superintendent's order granting permission to organize must set forth the minimum amount of capital deposits that the mutual or cooperative financial institution must have to begin business. [PL 1997, c. 398, Pt. D, §6 (AMD).]

B. The minimum amount of capital deposits must be determined by the superintendent, but in no event may it be less than \$500,000. [PL 2021, c. 508, §3 (AMD).]

C. In determining the minimum amount of capital deposits, the superintendent may set different requirements for financial institutions and may consider such factors as the population of the city or town where the proposed institution is to be located, competition among financial institutions in that locale and the need to protect depositors and other creditors of the institution. [PL 1997, c. 398, Pt. D, §6 (AMD).]

[PL 2021, c. 508, §3 (AMD).]

**6. Effect of denial.** If the superintendent denies permission to organize or refuses to issue a certificate of public convenience and advantage, the application may be renewed in the manner provided in this section after one year from the date of such denial.

[PL 1975, c. 500, §1 (NEW).]

**SECTION HISTORY**

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §D3 (AMD). PL 1997, c. 398, §D4 (AMD). PL 1997, c. 398, §D5 (AMD). PL 1997, c. 398, §D6 (AMD). PL 2021, c. 508, §3 (AMD).

**§323. Organization**

Upon receipt of a certificate of public convenience and advantage and permission to organize pursuant to section 322, the organizers shall comply with the following requirements: [PL 1975, c. 500, §1 (NEW).]

**1. Franchise during organization.** The organizers set forth in the application for permission to organize, and who subsequently receive permission from the superintendent, shall hold the institution's franchise until such time as the requirements of this section are met or the superintendent determines that said requirements have not been complied with.

[PL 1975, c. 500, §1 (NEW).]

**2. First meeting: adoption of articles and bylaws.**

A. Within 30 days after receipt of a certificate of public convenience and advantage and an order granting permission to organize pursuant to section 322, the first meeting of the organizers of the financial institution must be called by a notice signed by that organizer who was designated in the application for that purpose, or by a majority of the organizers. Such notice must state the time, place and purposes of the meeting. A copy of the notice must be given to each organizer at least 3 days before the date appointed for the meeting, or left at each organizer's residence or usual place of business, or deposited in the post office and addressed to such an organizer at that organizer's residence or usual place of business, and another copy thereof, together with an affidavit of one of the organizers that the notice has been duly served, must be recorded with the records of the institution. If all the organizers, in writing indorsed upon the application to organize, waive such notice and fix the time and place of the meeting, no notice is required. [PL 1997, c. 398, Pt. D, §7 (AMD).]

B. At the first meeting and thereafter, the organizers of a mutual financial institution are known as the "corporators" and the organizers of a cooperative financial institution are known as the "incorporators." [PL 1997, c. 398, Pt. D, §7 (AMD).]

C. At such meeting or at any adjournment thereof, the corporators or incorporators shall by ballot select a temporary clerk, adopt the articles of incorporation and bylaws of the institution and, in such manner as the bylaws may determine, elect directors, a president, a clerk and such other officers as the bylaws may prescribe. All persons so elected shall qualify for their offices as provided in sections 326 and 327. [PL 1975, c. 500, §1 (NEW).]

D. The temporary clerk shall make and attest a record of the proceedings until the clerk has been chosen and sworn, including a record of such choice and qualification. [PL 1975, c. 500, §1 (NEW).]

E. Within 10 days after adoption of the articles of incorporation and bylaws, the clerk shall file with the superintendent copies thereof; and, within 15 days after receipt, the superintendent shall, after examining such articles and bylaws for conformance with the requirements of this Title, approve or disapprove of such articles and bylaws. [PL 1975, c. 500, §1 (NEW).]

[PL 1997, c. 398, Pt. D, §7 (AMD).]

**3. Submission to Secretary of State.** Following the meeting required under subsection 2, the directors so elected shall submit an attested copy of the institution's articles of incorporation to the Secretary of State, who shall determine whether such articles satisfy the filing requirements of Title 13-C. If such filing requirements are met and the superintendent has approved said articles, the Secretary of State shall file the articles of incorporation pursuant to Title 13-C, chapter 1, subchapter 2. The filing of the articles of incorporation by the Secretary of State does not authorize the transaction of business by the financial institution until all conditions of this section are satisfied.

[PL 2003, c. 344, Pt. D, §3 (AMD).]

**4. Payment of capital deposits.**

A. A financial institution organized under this chapter shall not commence business until the minimum capital deposits required in its permission to organize have been deposited to the credit of the financial institution in a depository designated by the directors; [PL 1975, c. 500, §1 (NEW).]

B. At such time as the institution has received to its credit the minimum capital deposits required in section 322, subsection 5, a complete list of the capital depositors, with the name, address, occupation and the amount of capital deposited by each shall be filed with the superintendent, which list shall be verified by the president and clerk of the institution. Such deposits shall be handled by the institution in accordance with section 324. [PL 1975, c. 500, §1 (NEW).]

[PL 1975, c. 500, §1 (NEW).]

**5. Certificate to commence business.**

A. Upon receipt of the statement required in subsection 4, the superintendent shall cause an examination to be made to determine if the minimum capital deposits have been credited to the account of the institution as he may determine and that all requirements of this section and other provisions of law have been complied with. [PL 1975, c. 500, §1 (NEW).]

B. Upon completion of his examination, and if the requirements of paragraph A are met, the superintendent shall issue a certificate authorizing the financial institution to begin transacting the business of a financial institution of the type as set forth in its articles of incorporation. Such certificate shall be conclusive of the facts stated therein and it shall be unlawful for any such mutual financial institution to begin transacting business until such a certificate has been granted. [PL 1975, c. 500, §1 (NEW).]

[PL 1975, c. 500, §1 (NEW).]

**6. Failure to commence business.**

A. Any mutual or cooperative financial institution that fails to commence business as a financial institution within one year after receiving a certificate of public convenience and advantage forfeits that certificate and any other certificate to commence business and shall cease all activities. The superintendent shall certify to the Secretary of State that the certificate of public convenience and advantage and any certificate to commence business have been forfeited so that the institution's articles of incorporation may be terminated by the Secretary of State. [PL 1997, c. 398, Pt. D, §8 (AMD).]

B. Upon any such forfeiture, the contributors of initial capital deposits of such institution shall be entitled to return of any amounts which they have paid to the institution and all expenses incurred in the organization shall be borne by the original organizers who were named in the application for permission to organize. [PL 1975, c. 500, §1 (NEW).]

C. Upon failure to commence business within one year and forfeiture of permission to organize and any certificate to commence business so obtained, the organizers may not submit another application for permission to organize a financial institution under sections 312 or 322 for at least one year from the date of such forfeiture. [PL 1975, c. 500, §1 (NEW).]

D. Notwithstanding the time limitation in paragraph A, the superintendent may extend the period in which business shall be commenced for a period not to exceed 6 months upon written application by the institution setting forth the reasons for such extension. If an extension is granted by the superintendent, the Secretary of State shall be so notified by the superintendent. [PL 1975, c. 500, §1 (NEW).]

[PL 1997, c. 398, Pt. D, §8 (AMD).]

**SECTION HISTORY**

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §D7 (AMD). PL 1997, c. 398, §D8 (AMD). PL 2003, c. 344, §D3 (AMD).

**§324. Corporate finance**

**1. Initial capital deposits.**

A. The initial capital deposits required under section 323, subsection 4, for commencing business shall be paid into an account of the institution known as the "capital reserve" account. [PL 1975, c. 500, §1 (NEW).]

B. The institution shall record on its books the amount which each capital depositor has contributed to such capital reserve and such amounts shall be evidenced by a certificate issued to the contributor thereof. [PL 1975, c. 500, §1 (NEW).]

C. Dividends or interest may be paid upon the amounts standing to the credit of each owner of a proportionate interest in the capital reserve, in accordance with the terms of the deposit agreement, but in no event shall such dividends or interest be in excess of the maximum rate paid on shares or accounts of the institution for the same period. [PL 1975, c. 500, §1 (NEW).]

D. The capital reserve established pursuant to this section shall be used as a guarantee against losses, contingencies and impairments of capital, and all losses and expenses not otherwise absorbed shall be charged against it until such time as the conditions in subsection 2 are met; provided that the amount credited to each contributor shall be reduced only by its proportionate share of such losses or expenses. [PL 1975, c. 500, §1 (NEW).]

E. The capital reserve shall be subordinate to all other deposits or share accounts of the institution. [PL 1975, c. 500, §1 (NEW).]

F. The capital contribution standing to the credit of each capital depositor in the capital reserve of the institution shall be transferable, together with any interest or dividends credited thereon, subject to the conditions and restrictions of this section. [PL 1975, c. 500, §1 (NEW).]

[PL 1975, c. 500, §1 (NEW).]

**2. Return of initial capital deposit.** The initial capital deposits, together with any dividends or interest credited thereon, may be returned, pro rata, to the contributors, or their heirs, executors, administrators or assigns, subject to the following conditions and limitations:

A. Prior to return of all or part of the initial capital reserve, the institution shall obtain the superintendent's approval for such return; [PL 1975, c. 500, §1 (NEW).]

B. A return of all or part of the capital reserve may not reduce the institution's capital below the greater of the total initial capital contributions or the minimum amount prescribed by the superintendent in accordance with section 412-A; [PL 1997, c. 398, Pt. D, §9 (AMD).]

C. Upon release and return, the contributor's proportionate share of the amount to be returned shall be credited in his name to a share account or deposit in such institution, and the contributor shall then be entitled to all rights and privileges, and shall be subject to all duties and liabilities, connected with such share account or deposit; [PL 1975, c. 500, §1 (NEW).]

D. In the event of the liquidation of an institution before such contributions have been repaid in full, any portion of such contributions not required for the repayment of the expenses and the payment of creditors and other depositors in full, pursuant to section 365, may be repaid pro rata to the initial capital depositors. [PL 1975, c. 500, §1 (NEW).]

[PL 1997, c. 398, Pt. D, §9 (AMD).]

**3. Capital debentures as capital reserve.** Subject to prior approval of the superintendent, a financial institution may issue capital notes or debentures, the proceeds from the sale of which may be used in lieu of capital deposits to establish part of the capital reserve required in subsection 1, provided that:

A. Such capital notes or debentures are issued pursuant to section 413; [PL 1975, c. 500, §1 (NEW).]

B. Such notes or debentures are subject to conditions governing the repayment of principal and interest which are comparable to the requirements governing return of initial capital deposits as set forth in subsection 2; and [PL 1975, c. 500, §1 (NEW).]

C. Repayment of the principal amount of such capital notes or debentures issued pursuant to this section shall have priority over the return of any initial capital deposits in the capital reserve account pursuant to subsection 2. [PL 1975, c. 500, §1 (NEW).]  
[PL 1975, c. 500, §1 (NEW).]

## SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1997, c. 398, §D9 (AMD).

### §325. Corporators and members

#### 1. Corporators of mutual financial institutions.

A. The persons named in the articles of incorporation constitute the original board of corporators of a mutual financial institution. Membership on this board continues until terminated pursuant to the articles of incorporation or bylaws or by death, resignation or disqualification as provided in this section. [RR 2009, c. 1, §10 (COR).]

B. [PL 2009, c. 19, §2 (RP).]

C. All corporators must be residents of the geographic area that the financial institution serves or an area proximate to this geographic area. A person may not continue as a corporator after ceasing to be a resident of the financial institution's geographic area or an area proximate to this geographic area. [PL 1997, c. 398, Pt. D, §10 (AMD).]

D. Any corporator failing to attend the annual meeting of the board of corporators for 2 successive years ceases to be a member of the board unless reelected by a vote of the remaining corporators. [PL 1997, c. 398, Pt. D, §10 (AMD).]

E. The number of corporators may be fixed or altered by the bylaws of the financial institution, and vacancies may be filled by election at any annual meeting. [PL 1997, c. 398, Pt. D, §10 (AMD).]

F. The superintendent has the power to comment upon the sociological composition, as defined in section 131, of the board of corporators of any mutual or cooperative financial institution. This comment may be made in the form and manner the superintendent considers appropriate. [PL 1997, c. 398, Pt. D, §10 (AMD).]

[RR 2009, c. 1, §10 (COR).]

#### 2. Members of a cooperative financial institution; qualifications and voting rights.

A. The members of a cooperative financial institution organized pursuant to this chapter must be those in whose names accounts are established and persons borrowing from or assuming or obligated upon a loan held by such institution or purchasing property and assuming the secured loan held by such institution. [PL 1997, c. 398, Pt. D, §11 (AMD).]

B. A single membership in a cooperative financial institution may be held by 2 or more persons, and a joint and survivorship relationship and successor relationship, whether investors or borrowers, constitutes a single membership. [PL 1997, c. 398, Pt. D, §11 (AMD).]

C. Each member 18 years of age or over is entitled to one vote at any meeting of the cooperative financial institution, regardless of the number of shares or accounts standing in that member's name, provided that only one vote is allowed on an account held by 2 or more persons. A member may not vote by proxy at any meeting, unless otherwise provided in this Title. The bylaws may prohibit voting by persons who have become members within 6 months of the date when the vote is cast.

When accounts or shares are pledged, the pledgor may vote the accounts or shares so pledged. [PL 1997, c. 398, Pt. D, §11 (AMD).]

D. Membership terminates when the amount of a member's shares or accounts has been paid in full to that member, or when the transfer of membership to other persons has been recorded on the books of the financial institution, or when that member's status as a borrower from the institution terminates. [PL 1997, c. 398, Pt. D, §11 (AMD).]  
[PL 1997, c. 398, Pt. D, §11 (AMD).]

### **3. Powers and duties of corporators and members.**

A. Corporators or members shall hold regular annual meetings, at a time fixed in the bylaws of the institution, for the purpose of electing directors of the institution and for the transaction of any other business which may properly be brought before such meeting. [PL 1975, c. 500, §1 (NEW).]

B. Special meetings of the corporators or members may be called at any time by the president of the institution, or in any other manner provided for in the bylaws. [PL 1975, c. 500, §1 (NEW).]

C. Notice of the annual meeting or any special meeting shall be given by public advertisement in a newspaper or newspapers of general circulation in the county or counties where each office of the institution is located, or in such other newspapers as the superintendent may designate; provided that corporators shall also be sent notice by mail at their last known address. The notice shall be published on at least 2 different days and in such manner as to be reasonably conspicuous. The last publication of notice shall be at least 7 days prior to such annual or special meeting. Notice of any special meeting shall state the purpose for which such meeting is called. [PL 1975, c. 666, §15 (RPR).]

D. The bylaws must prescribe the number of corporators or members that constitute a quorum at any annual or special meeting. The bylaws may also provide for voting by proxy. [PL 1997, c. 398, Pt. D, §12 (AMD).]

E. Meetings of the corporators or members must be held at the institution's principal office, at such other place in the area of this State served by the institution as the notice designates or by means of remote communication under paragraph F. [PL 2021, c. 188, §1 (AMD).]

F. The board of directors may authorize, subject to guidelines and procedures as the board may adopt, a meeting of corporators or members to be conducted by means of remote communication with no fixed place or may authorize a corporator or member or holder of a proxy of a corporator or member who is not physically present at a meeting of corporators or members to join the meeting by means of remote communication. A corporator or member or holder of a proxy of a corporator or member in a meeting of corporators or members held remotely or who joins a meeting of corporators or members by means of remote communication may:

- (1) Participate in the meeting;
- (2) Be deemed present in person at the meeting; and
- (3) Vote at the meeting if the institution has implemented reasonable measures:
  - (a) To verify that a person who has joined by means of remote communication a meeting of corporators or members is a corporator, member or holder of a proxy of a corporator or member;
  - (b) To provide a corporator, member or holder of a proxy of a corporator or member who has joined by means of remote communication a meeting of corporators or members a reasonable opportunity to participate in the meeting and to vote on matters submitted to the corporators and members, including an opportunity to communicate with, read and hear the proceedings, substantially concurrently with the proceedings; and

(c) To maintain a record of the presence of and a vote or any other action taken by a corporator, member or holder of a proxy of a corporator or a member who has joined by means of remote communication a meeting of corporators and members. [PL 2021, c. 188, §2 (NEW).]

[PL 2021, c. 188, §§1, 2 (AMD).]

**4. Articles of incorporation.** The corporators or members shall have the right to amend the institution's articles of incorporation in any manner not inconsistent with this Title; provided that such amendments are submitted to the superintendent for his written approval prior to their taking effect.

[PL 1975, c. 500, §1 (NEW).]

**5. Bylaws.** Bylaws may be amended and added to by the corporators or members or directors of the institution except to the extent limited by the articles of incorporation or unless such power has been reserved by the articles of incorporation or granted by the corporators to the board of directors. Amendments to the bylaws shall be submitted to the superintendent and shall become effective 10 days after such submission unless the superintendent shall otherwise indicate to the institution.

[PL 1977, c. 155, §1 (AMD).]

#### SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1975, c. 666, §§14,15 (AMD). PL 1977, c. 155, §1 (AMD). PL 1997, c. 398, §§D10-12 (AMD). RR 2009, c. 1, §10 (COR). PL 2009, c. 19, §§1, 2 (AMD). PL 2021, c. 188, §§1, 2 (AMD).

#### §326. Board of directors

Except as provided in this section and section 327, the management and operations of a financial institution organized under this chapter must be pursuant to Title 13-C, chapter 8. [PL 2003, c. 528, §1 (AMD).]

##### 1. Directors: number, election, qualifications and term.

A. The number of directors on the board of a mutual financial institution may not be less than 5. [PL 2003, c. 528, §2 (AMD).]

B. The initial board of directors must be elected at the first meeting of the corporators or the incorporators as provided for in section 323, and the board of directors must be elected by a vote of the corporators or members at each annual meeting thereafter; except that the articles of incorporation or bylaws may provide for groups of directors in accordance with Title 13-C, section 806. [RR 2001, c. 2, Pt. B, §11 (COR); RR 2001, c. 2, Pt. B, §58 (AFF).]

C. Vacancies on the board occurring during the year may be filled by the board until the next annual meeting of the corporators or members, who shall elect a director at such time to fill such position for the remainder of the term. Any vacancy that causes the number of directors to fall below the minimum required in paragraph A or in the institution's bylaws or articles of incorporation must be filled immediately. [PL 2003, c. 528, §3 (AMD).]

D. [PL 1997, c. 398, Pt. D, §14 (RP).]

E. The compensation of directors, which may include provision for payment of medical, surgical and hospital expenses due to accident or illness in the same manner as provided for officers and employees, may be fixed by the corporators or members at any legal meeting thereof, or, subject to the written approval of the superintendent, such may be fixed by the board of directors. [PL 1975, c. 500, §1 (NEW).]

F. [PL 1977, c. 379 (RP).]

G. The superintendent has the power to comment upon the sociological composition, as defined in section 131, of the board of directors of any mutual or cooperative financial institution. This

comment may be made in the form and manner the superintendent considers appropriate. [PL 1997, c. 398, Pt. D, §15 (AMD).]  
[PL 2003, c. 528, §§2,3 (AMD).]

## **2. Meetings of the directors.**

A. The directors shall hold at least 6 meetings each year, at least quarterly, at a time fixed in the bylaws. In any month in which the directors do not meet, the executive committee shall meet and a record of the meeting of the executive committee shall be ratified at the next board meeting. [PL 1983, c. 63, §2 (RPR).]

B. A quorum at any meeting shall consist of not less than a majority of the board, but less than a quorum shall have power to adjourn from time to time until the next duly called meeting. [PL 1975, c. 500, §1 (NEW).]

C. Full and complete records of all meetings of the board shall be kept and maintained. [PL 1975, c. 500, §1 (NEW).]  
[PL 1975, c. 500, §1 (NEW).]

## **3. Powers and duties of the board.**

A. The board of directors may exercise any and all powers of an institution not expressly reserved to the incorporators or members by this Title or by the institution's articles or bylaws. [PL 1975, c. 500, §1 (NEW).]

B. The directors shall see that all funds of the institution are invested only in accordance with the sections of this Title governing the type of institutions of which they are directors. [PL 1975, c. 500, §1 (NEW).]

C. The board of directors may, in its discretion and so far as is consistent with its duties, appoint an executive committee from its members, such committee to conduct the business of the institution between meetings of the board; provided that all transactions of such executive committee shall be reported to the directors at their next meeting and incorporated into the records of such meetings. [PL 1975, c. 500, §1 (NEW).]

D. The board may employ, or authorize any officer to employ, any persons necessary to conduct the business of the institution. [PL 1975, c. 500, §1 (NEW).]

E. Bylaws not inconsistent with this Title governing the management and operations of the institution may be adopted by the board of directors consistent with the provisions of section 325, subsection 5; provided that a copy of such and any amendments thereto shall be submitted by the institution to the superintendent, and shall become effective 10 days after such submission unless the superintendent shall indicate otherwise to the institution. [PL 1975, c. 500, §1 (NEW).]  
[PL 1975, c. 500, §1 (NEW).]

## **SECTION HISTORY**

PL 1975, c. 500, §1 (NEW). PL 1975, c. 666, §§15-A,16 (AMD). PL 1977, c. 379 (AMD). PL 1983, c. 63, §2 (AMD). PL 1997, c. 398, §§D13-15 (AMD). RR 2001, c. 2, §§B10,11 (COR). RR 2001, c. 2, §B58 (AFF). PL 2003, c. 528, §§1-3 (AMD).

## **§327. Officers and employees**

Except as provided in this section, the powers and duties of officers and directors of a financial institution organized under this chapter must be pursuant to Title 13-C. [PL 2003, c. 344, Pt. D, §4 (AMD).]

**1. Election.** Unless another manner for election is provided in the bylaws, the board of directors shall elect annually from its members a chair and, 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 consider

advisable. Officers so elected serve for a term of not more than one year, but continue in office until their successors are elected and qualified. If any office becomes vacant during the year, the board may immediately fill the same for the period remaining until the next annual meeting for election of officers. [PL 1997, c. 398, Pt. D, §16 (AMD).]

**2. Compensation.** The compensation of officers shall be fixed by the board of directors. [PL 1975, c. 500, §1 (NEW).]

**3. Powers of officers.** Each officer shall have such powers as the bylaws may provide or as may be delegated by the board. In addition, an officer may exercise the powers set forth below:

A. The chairman of the board shall preside at all meetings of the incorporators or members and the board of directors, unless otherwise provided in the bylaws. [PL 1975, c. 500, §1 (NEW).]

B. The president shall preside, in the absence of a chairman of the board of directors, at all meetings of the incorporators or members and the board of directors, unless otherwise provided in the bylaws. [PL 1975, c. 500, §1 (NEW).]

C. The clerk or secretary shall exercise the following powers.

(1) The clerk or secretary shall record or cause to be recorded the proceedings and actions of all meetings of the incorporators, members or directors, and give or cause to be given all notices required by law or action of the directors for which no other provision is made. If no person is elected to this office, the treasurer, or in the treasurer's absence another officer of the institution designated by the directors, must be ex officio clerk of the institution and of the directors.

(2) Within 30 days after the annual meeting of the board for election of officers, the clerk shall cause to be published in a local newspaper of general circulation in the county where the institution's principal office is located, or in such other newspapers as the superintendent may designate, a list of the officers and directors of the institution. The clerk shall return a copy of the list of officers and directors to the superintendent within that 30 days, which must be kept on file in the superintendent's office for public inspection.

(3) The clerk or secretary, in the absence of a provision in the bylaws to the contrary, shall perform the functions of clerk in accordance with Title 13-C. [PL 2003, c. 344, Pt. D, §5 (AMD).]

D. All conveyances, leases, assignments, releases, transfers of stock certificates and registered bonds, and all other written instruments authorized or required by law or vote of the directors, may be executed by the president or treasurer, or by any other official authorized and empowered by the bylaws of the institution or duly recorded vote of the directors. [PL 1975, c. 500, §1 (NEW).] [PL 2003, c. 344, Pt. D, §5 (AMD).]

**4. Oath of office.**

[PL 1997, c. 398, Pt. D, §17 (RP).]

**5. Bonds.** The directors shall require security for the fidelity and faithful performance of duties by its officers, employees and agents, in such amount as the directors shall deem necessary or as the superintendent may require. Such security shall consist of a bond executed by one or more surety companies authorized to transact business in this State. The superintendent may increase such amount from time to time as circumstances may require. The expense of such bond shall be assumed by the institution.

[PL 1975, c. 500, §1 (NEW).]

**6. Removal of officers or employees.**

[PL 1979, c. 170, §2 (RP).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1979, c. 170, §2 (AMD). PL 1979, c. 663, §38 (AMD). PL 1981, c. 501, §31 (AMD). PL 1997, c. 398, §§D16,17 (AMD). PL 2003, c. 344, §§D4,5 (AMD).

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