

§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).

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