

## CHAPTER 123

### UNINSURED BANKS

#### §1231. General authority and purpose

A financial institution engaged in the business of banking that does not accept retail deposits and for which insurance of deposits by the FDIC is not required may be organized pursuant to chapter 31. Unless otherwise indicated in this chapter, an uninsured bank has all the powers, rights, duties and obligations as a financial institution under this Title. An uninsured bank is not a nondepository trust company or a merchant bank. [PL 2023, c. 30, §7 (AMD).]

#### SECTION HISTORY

PL 1997, c. 398, §J2 (NEW). PL 2023, c. 30, §7 (AMD).

#### §1232. Organization of uninsured banks

**1. Organization.** An uninsured bank must be organized pursuant to chapter 31. [PL 1997, c. 398, Pt. J, §2 (NEW).]

**1-A. Principal office in State.** Except for an uninsured bank organized prior to the effective date of this subsection, an uninsured bank shall locate its principal office in this State, have at least one resident of this State on its governing board and hold at least one of its governing board meetings in this State each year. [PL 2021, c. 5, §6 (NEW).]

**2. Organizational documents.** The organizational documents of an uninsured bank that are filed with the Secretary of State must contain the following statement: "This corporation, limited liability company, limited partnership or limited liability partnership is subject to the Maine Revised Statutes, Title 9-B, chapter 123 and does not have the power to solicit, receive or accept retail deposits." This statement in the organizational documents of an uninsured bank may not be amended. [PL 1997, c. 398, Pt. J, §2 (NEW).]

**3. Conversion.** An uninsured bank may convert to any other type of investor-owned financial institution pursuant to chapter 34. [PL 1997, c. 398, Pt. J, §2 (NEW).]

#### SECTION HISTORY

PL 1997, c. 398, §J2 (NEW). PL 2021, c. 5, §6 (AMD).

#### §1233. Capital

An uninsured bank must have initial paid-in capital in accordance with chapter 31 and shall maintain minimum capital in accordance with section 412-A or rules adopted under section 412-A, except that the superintendent may establish different capital maintenance requirements for uninsured banks than those required for insured financial institutions organized under this Title. [PL 1999, c. 539, §4 (AMD).]

#### SECTION HISTORY

PL 1997, c. 398, §J2 (NEW). PL 1999, c. 539, §4 (AMD).

#### §1233-A. Asset pledge

**1. Pledge requirement.** The superintendent may require an uninsured bank to pledge readily marketable assets to the superintendent if the superintendent believes that the action is necessary for the protection of the public. The pledged assets must be United States dollar denominated, investment

grade and subject to the prior written approval of the superintendent. The pledged assets must be held on deposit or in safekeeping by an FDIC-insured depository institution approved by the superintendent. The pledged assets may be released to the superintendent only upon certification that a receiver or conservator of the uninsured bank has been appointed. The asset pledge requirement may be lifted by the superintendent if the superintendent determines that the condition of the uninsured bank so warrants that action.

[PL 2005, c. 83, §14 (NEW).]

**2. Amount of pledge.** The aggregate amount of pledged assets is determined by the superintendent but may not exceed the greater of \$1,000,000 or 50% of the minimum required capital of the uninsured bank at the time the asset pledge is imposed.

[PL 2005, c. 83, §14 (NEW).]

**3. Pledge agreement.** The asset pledge must be maintained pursuant to an asset pledge agreement in the form and containing any limitations and conditions the superintendent requires. As long as the uninsured bank continues business in the ordinary course, the uninsured bank may be permitted to collect income on the pledged assets and examine and exchange those assets. The aggregate amount of assets pledged may not be less than required under subsection 2 without the superintendent's approval.

[PL 2005, c. 83, §14 (NEW).]

**4. Noncompliance.** If an uninsured bank fails to maintain the minimum required asset pledge, the superintendent may determine that the uninsured bank does not meet the capital requirements under section 412-A and any rules adopted pursuant to section 412-A.

[PL 2005, c. 83, §14 (NEW).]

**5. Rulemaking.** The superintendent may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2005, c. 83, §14 (NEW).]

## SECTION HISTORY

PL 2005, c. 83, §14 (NEW).

### §1234. Cash reserves on deposits and accounts

An uninsured bank shall maintain reserves in accordance with section 422-A. The superintendent may establish by rule or order additional reserve requirements for uninsured banks. [PL 1997, c. 398, Pt. J, §2 (NEW).]

## SECTION HISTORY

PL 1997, c. 398, §J2 (NEW).

### §1235. Lending limits

An uninsured bank's lending limit is governed by section 439-A or rules adopted under section 439-A, except that loans or extensions of credit to a person are limited to 15% of total capital. [PL 1997, c. 398, Pt. J, §2 (NEW).]

## SECTION HISTORY

PL 1997, c. 398, §J2 (NEW).

### §1236. Deposits

An uninsured bank may not engage in retail deposit activities. The superintendent shall define deposit activities that do not constitute retail deposit activities by rule, taking account of the size or nature of depositors and deposit accounts. [PL 1997, c. 398, Pt. J, §2 (NEW).]

## SECTION HISTORY

PL 1997, c. 398, §J2 (NEW).

### §1237. Disclosure of uninsured status

**1. Sign that deposits not insured.** An uninsured bank shall display conspicuously at each window or place where deposits are usually accepted a sign stating that deposits are not insured by the FDIC. [PL 1997, c. 398, Pt. J, §2 (NEW).]

**2. Statement that deposits not insured.** An uninsured bank shall either include in boldface conspicuous type on each signature card, passbook and instrument evidencing a deposit the following statement: "This deposit is not insured by the FDIC" or require each depositor to execute a statement that acknowledges that the initial deposit and all future deposits at the bank are not insured by the FDIC. The bank shall retain this acknowledgment as long as the depositor maintains any deposit with the bank. [PL 1997, c. 398, Pt. J, §2 (NEW).]

**3. Statement on deposit-related advertising that deposits not insured.** An uninsured bank shall include on all its deposit-related advertising a statement that deposits are not insured by the FDIC. [PL 1997, c. 398, Pt. J, §2 (NEW).]

#### SECTION HISTORY

PL 1997, c. 398, §J2 (NEW).

### §1238. Rules

The superintendent may prescribe rules governing the activities of uninsured banks and implementing this chapter. These rules must take into account the uninsured status of these banks. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A. [PL 1997, c. 398, Pt. J, §2 (NEW).]

#### SECTION HISTORY

PL 1997, c. 398, §J2 (NEW).

### §1239. Holding companies of uninsured banks

If a holding company is not a financial institution holding company under chapter 101 by virtue of controlling a financial institution other than a merchant bank, a nondepository trust company or an uninsured bank, the superintendent may grant the holding company a waiver from the provisions of chapter 101; except that, the superintendent may not waive the requirements of section 1013, subsection 1 and the application requirements of section 1015 relevant to section 1013, subsection 1. [PL 2001, c. 211, §26 (NEW).]

If a holding company is not a financial institution holding company under chapter 101 by virtue of controlling financial institutions other than a merchant bank, nondepository trust company or uninsured bank, the superintendent may examine the holding company, including its subsidiaries and affiliates, to the extent necessary to determine the soundness and viability of the uninsured bank. [PL 2001, c. 211, §26 (NEW).]

#### SECTION HISTORY

PL 2001, c. 211, §26 (NEW).

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