

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Amend the Banking Laws Regarding Industrial Loan Company Reciprocity across State Lines**

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

**Sec. 1. 9-B MRSA §131, sub-§1-B** is enacted to read:

**1-B. Bank holding company.** "Bank holding company" means any company that controls, directly or indirectly, a bank.

**Sec. 2. 9-B MRSA §131, sub-§6-B** is enacted to read:

**6-B. Commercial activity.** "Commercial activity" means an activity in which a bank holding company, a financial institution holding company, a national bank and a national bank financial subsidiary may not engage under federal law.

**Sec. 3. 9-B MRSA §131, sub-§28-B** is enacted to read:

**28-B. National bank financial subsidiary.** "National bank financial subsidiary" means a company that is controlled by one or more insured depository institutions other than a subsidiary that:

A. Engages solely in activities that national banks are permitted to engage in directly and are conducted subject to the same terms and conditions that govern the conduct of such activities by national banks; or

B. A national bank is specifically authorized by the express terms of federal law, and not by implication or interpretation, to control.

**Sec. 4. 9-B MRSA §376, sub-§2,** as enacted by PL 1995, c. 628, §20, is amended to read:

**2. Branches of out-of-state financial institutions.** The laws of this State, including, but not limited to, the laws regarding consumer protection, fair lending and establishment of intrastate branches, apply to any state branch of an out-of-state financial institution, federal association or national bank to the same extent as those laws apply to a state branch of a financial institution organized under the laws of this State. An out-of-state financial institution that maintains, or seeks to establish and maintain, a branch in this State pursuant to this chapter may not conduct any activity at that branch that is not permissible for a financial institution organized under the laws of this State, including, but not limited to, commercial activity of that financial institution or an affiliate of that financial institution.

**Sec. 5. 9-B MRSA §376, sub-§3** is enacted to read:

**3. Commercial activity prohibited.** An out-of-state financial institution or an affiliate of an out-of-state financial institution may not conduct any commercial activity at a location in this State.

## **SUMMARY**

This bill defines "commercial activity" in the banking laws and clarifies that out-of-state financial institutions and their affiliates, like Maine financial institutions and their affiliates, are prohibited from conducting any commercial activity at in-state branches and may not conduct any commercial activity within Maine.