

§422-A. Cash reserves on deposits and accounts

1. Requirement. A financial institution organized under the laws of this State and a credit union organized under the laws of this State shall maintain reserves on deposits or accounts as required from time to time by the Federal Reserve Act, Section 19(b), as amended, and any regulations promulgated under it; except that the amount of reserves shall be 100% of the requirements, notwithstanding the Federal Reserve Act, Section 19(b)(8) of that Act.

[PL 1981, c. 155, §2 (NEW).]

2. Transition period. Reserves held by a financial institution or credit union to meet the requirements of this section must be in the form prescribed by the Federal Reserve Act, Section 19(c), as amended, and any regulations promulgated under it.

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

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

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

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

[PL 1997, c. 398, Pt. I, §14 (AMD).]

3. Assessment for deficiency. Any deficiency in the cash reserve established pursuant to this section may be subject to an assessment for such period of time as the deficiency may exceed 2% of the required reserves. Any such penalty may be assessed at a rate not to exceed 10% per year.

[PL 1981, c. 155, §2 (NEW).]

4. Failure to make up deficiency. If any financial institution or credit union fails to make up a reserve deficiency with a corresponding excess reserve in the reserve computation period immediately following the period in which the deficiency occurred, the superintendent may declare that no loans or investments be made except those loans secured by deposit accounts or investments made in bonds or other obligations issued by the United States or any of its instrumentalities, or issued or guaranteed by this State or issued by any of its instrumentalities, agencies or political subdivisions which is not in default on any of its outstanding funded obligations.

[PL 1981, c. 155, §2 (NEW).]

5. Reports. The superintendent may require any financial institution or credit union to furnish such reports as he deems appropriate to properly supervise compliance with the requirements of this section.

[PL 1981, c. 155, §2 (NEW).]

SECTION HISTORY

PL 1981, c. 155, §2 (NEW). PL 1997, c. 398, §114 (AMD).

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