

§862. Deposits, notes and bonds

A credit union may invest in: [PL 1975, c. 500, §1 (NEW).]

1. Deposits in insured institutions. Deposits or share accounts in any financial institution or credit union, as long as deposits or shares in the financial institution or credit union are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration; [PL 2003, c. 322, §40 (AMD).]

2. Legal investments for savings banks.
[PL 1987, c. 405, §32 (RP).]

2-A. Other legal investments for credit unions. A credit union may legally invest in the following.

A. Credit unions are authorized to invest in government unit bonds:

- (1) The bonds and other obligations of the United States or the bonds and other obligations or participation certificates issued by any agency, association, authority or instrumentality created by Congress or any executive order;
- (2) The bonds and other obligations issued or guaranteed by any state or by any instrumentality or agency of any state, or by any political subdivision of any state; provided that such securities are rated within the 3 highest grades by any rating service approved by the superintendent;
- (3) The bonds and other obligations issued or guaranteed by this State, or issued by an instrumentality or agency of this State or any political subdivision of this State which is not in default on any of its outstanding funded obligations; and
- (4) The bonds and other obligations issued or guaranteed by the Dominion of Canada, or issued or guaranteed by any province or political subdivision of a province; provided that such securities are rated within the 3 highest grades by any rating service approved by the superintendent and are payable in United States funds. [PL 1987, c. 405, §33 (NEW).]

B. Credit unions are allowed to invest in the bonds and other obligations of any United States corporation, provided that such securities are rated within the 3 highest grades by any rating service approved by the superintendent. Not more than 2% of the shares of a credit union shall be invested in the securities of any one such corporation and the total of all such investments shall not exceed 20% of the shares of a credit union. [PL 1987, c. 405, §33 (NEW).]

C. Credit unions are authorized to invest in the following:

- (1) The bonds, debentures, acceptances and commercial paper of any financial institution authorized to do business within this State, incorporated under the laws of this State or the United States and of any financial institution holding company registered under chapter 101. For the purposes of this subsection, the out-of-state owners of Maine financial institutions or financial institution holding companies are not to be considered Maine financial institutions or financial institution holding companies;
- (2) The bonds, debentures, acceptances and commercial paper of banks or bank holding companies principally domiciled outside the State, provided that the bank's or holding company's bonds and debentures are rated in the 3 highest grades by a rating service approved by the superintendent. In the case of commercial paper, the commercial paper should be rated in the 2 highest grades. In the case of acceptances, the bank's or holding company's ratings of its other obligations so listed should be within the above parameter. These banks should also be insured by the Federal Deposit Insurance Corporation and holding companies should be registered under the Bank Holding Company Act of 1956; and

(3) Capital notes or debentures issued by any savings bank or savings and loan association chartered under the laws of any state, or of the United States, or of the Commonwealth of Puerto Rico, provided that these institutions are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or issued by a thrift institution holding company registered under the United States Housing Act, Section 408. These obligations shall be rated in the 3 highest grades by a rating service approved by the superintendent.

A credit union shall not acquire obligations described in this paragraph both by way of investment as security for loans in excess of 30% of its shares; nor shall it acquire such obligations of any one bank or thrift, or bank or thrift holding company, not principally domiciled in this State in excess of 5% of its shares. [PL 1987, c. 405, §33 (NEW).]

D. A credit union may invest in mutual funds or trusts, provided that all of the investments of those mutual funds or trusts are permissible investments under this section. [PL 1987, c. 405, §33 (NEW).]

E. A credit union may invest in United States or State Government guaranteed loans. [PL 1997, c. 398, Pt. L, §11 (AMD).]

F. The superintendent may by rule, issued pursuant to section 251, raise or lower the limitations as to percentage of securities prescribed under this section or prescribe such additional limitations as in the superintendent's judgment conditions warrant. [RR 2025, c. 1, Pt. D, §41 (COR).]
[RR 2025, c. 1, Pt. D, §41 (COR).]

3. Notes of liquidating credit union; limitation. The purchase of notes from a liquidating credit union; provided that such purchase shall not exceed 5% of the purchasing credit union's share capital and surplus; and
[PL 1983, c. 51, §10 (AMD).]

4. Sale of assets.

[PL 2001, c. 211, §20 (RP).]

5. Federal Home Loan Bank and National Credit Union Administration Central Liquidity Facility membership. A credit union may become a member and stockholder of the following:

A. A Federal Home Loan Bank within the Federal Home Loan Bank district where that credit union is located; and [PL 1995, c. 512, §4 (NEW).]

B. The National Credit Union Administration Central Liquidity Facility, subject to the conditions and limitations prescribed under the Federal Credit Union Act, 12 United States Code, Sections 1751 to 1795k (1988). [PL 1995, c. 512, §4 (NEW).]

[PL 1995, c. 512, §4 (AMD).]

This section may not be construed to authorize a credit union to purchase or invest in the stock of any corporation, except for the purchase of stock in the Federal Home Loan Bank or the National Credit Union Administration Central Liquidity Facility for purposes of establishing membership in those systems. [PL 1995, c. 512, §5 (AMD).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1979, c. 429, §13 (AMD). PL 1983, c. 51, §§9-11 (AMD). PL 1985, c. 533, §§1,2 (AMD). PL 1987, c. 405, §§32,33 (AMD). PL 1991, c. 386, §§24,25 (AMD). PL 1995, c. 512, §§4,5 (AMD). PL 1997, c. 398, §L11 (AMD). PL 2001, c. 211, §20 (AMD). PL 2003, c. 322, §40 (AMD). RR 2025, c. 1, Pt. D, §41 (COR).

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