

§445. Service corporations

1. Authorization. A financial institution may establish, acquire or invest in the equity interest, obligations or other securities of a service corporation, as defined in section 131, or otherwise participate in or utilize the service of such a corporation. A service corporation may be owned by one or more institutions engaged in the business of banking.

[PL 2005, c. 82, §10 (AMD).]

2. Limitations. The stock of a service corporation formed pursuant to this section may be owned only by institutions engaged in the business of banking. The maximum amount of investment in any one such service corporation may not exceed 20% of the institution's total capital and reserves or its total surplus account. The aggregate investment of a financial institution in all service corporations may not exceed 50% of its total capital and reserves or its total surplus account. For purposes of applying the legal lending limit prescribed in this Title, a financial institution's investment in a service corporation, if majority owned, must be consolidated with the financial institution on a line-for-line basis proportionate to the financial institution's ownership interest in the service corporation.

[PL 1997, c. 22, §13 (AMD).]

3. Records. The books and accounts of a service corporation involving any financial institution shall be kept in such manner and form as the superintendent may prescribe; and any agreement between a financial institution and such corporation shall provide that such books and accounts may be examined by the superintendent or his designee.

[PL 1975, c. 500, §1 (NEW).]

4. Ownership.

[PL 1997, c. 22, §14 (RP).]

5. Exception for debt-acquired real property.

[PL 1997, c. 22, §15 (RP).]

6. Notice required. A financial institution seeking to invest in one or more service corporations shall notify the superintendent in writing at least 30 days prior to such investment.

A. [PL 2017, c. 143, §3 (RP).]

B. [PL 2017, c. 143, §3 (RP).]

[PL 2017, c. 143, §3 (AMD).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1975, c. 666, §§20,21 (AMD). PL 1983, c. 63, §§3-4 (AMD). PL 1991, c. 386, §§12-15 (AMD). PL 1997, c. 22, §12 (AMD). PL 1997, c. 22, §13 (AMD). PL 1997, c. 22, §14 (AMD). PL 1997, c. 22, §15 (AMD). PL 1997, c. 22, §16 (AMD). PL 2005, c. 82, §10 (AMD). PL 2017, c. 143, §3 (AMD).

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