**§864. Service corporations**

**1. Authorization.**  A credit union may invest, individually or with other credit unions or other entities, in service corporations as defined in section 131. In addition to the activities described in the definition of "service corporation" under section 131, subsection 37, service corporation activities may include investing in real property to facilitate a credit union member's acquisition, financing or refinancing of owner-occupied residential property consisting of not more than 4 dwelling units located in this State. Without the prior written consent of the superintendent, the duration of an investment under this subsection may not exceed 180 days.

[PL 2023, c. 260, §4 (AMD).]

**2. Limitations.**  A credit union may invest 20% of its net worth in any service corporation only if:

A. The service corporation is structured to limit the credit union's exposure to loss; and [PL 2005, c. 82, §11 (AMD).]

B. The service corporation primarily serves credit unions and the membership of affiliated credit unions. A service corporation formed after July 31, 1994 primarily serves credit unions and the membership of affiliated credit unions within the meaning of this paragraph if at least 75% of the services provided within this State are to credit unions and members of credit unions; except that for a service corporation formed after October 1, 2017, when determining whether a service corporation primarily serves credit unions and the membership of affiliated credit unions within the meaning of this paragraph, the superintendent shall consider the relevant federal laws and regulations in effect at the time of formation of the service corporation. [PL 2017, c. 288, Pt. C, §1 (AMD); PL 2017, c. 288, Pt. C, §4 (AFF).]

The superintendent may approve an amount less than or in excess of 20%, subject to such terms and conditions as the superintendent determines necessary. The aggregate investment of a credit union in all service corporations may not exceed 50% of its net worth.

[PL 2017, c. 143, §11 (AMD); PL 2017, c. 288, Pt. C, §1 (AMD); PL 2017, c. 288, Pt. C, §4 (AFF).]

**3. Applicability of section 445.**

[PL 2017, c. 143, §12 (RP).]

**4. Records.**  The books and accounts of a service corporation involving any credit union must be kept in such manner and form as the superintendent may prescribe, and any agreement between a credit union and a service corporation must provide that the books and accounts of the service corporation may be examined by the superintendent or the superintendent's designee.

[PL 2017, c. 143, §13 (NEW).]

**5. Application; notice required.**  A credit union or credit unions seeking to organize as or invest in a service corporation shall notify the superintendent in writing at least 30 days prior to organizing as or investing in the service corporation.

[PL 2017, c. 143, §13 (NEW).]

SECTION HISTORY

PL 1975, c. 500, §1 (NEW). PL 1993, c. 99, §2 (AMD). PL 1993, c. 99, §3 (AMD). PL 1993, c. 655, §1 (AMD). PL 2005, c. 82, §11 (AMD). PL 2017, c. 143, §§11-13 (AMD). PL 2017, c. 288, Pt. C, §1 (AMD). PL 2017, c. 288, Pt. C, §4 (AFF). PL 2023, c. 260, §4 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025
. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.