

ADVISORY RULING #16
JUNE 6, 1975

(Formerly Administrative
Interpretation #19)

June 6, 1975

Dear

You have inquired whether a foreign corporation may be licensed as a "supervised lender" under the Credit Code. As you have noted, §1201(2) of 13 M.R.S.A. requires a foreign corporation to comply with all State laws regulating any special class of business it may be transacting in this State.

Section 222(3) of Title 9 defines the lending of money as "banking business". Section 3201 of that same title requires that a domestic corporation be formed in order to operate a "loan company". It would therefore appear that the loaning of money to consumers in Maine is a special class of business subject to the Banking laws as well as the provisions of the Credit Code. It should be noted that while the Code modified, in part, the Banking statute dealing with the formation of loan companies, it did not repeal this chapter (Section 4 of Public Laws of 1973, Chapter 762). It, thus, appears that a corporation (other than a supervised financial organization) must first comply with sections 3201, et seq. (Loan Companies) of the Banking laws prior to receiving a license from the Bureau under the provisions of the Credit Code.

Therefore, in answer to your inquiry, a foreign corporation may not, at the present time, qualify for a "supervised lenders" license under the Code.

I would fully agree that it was unfortunate that this unjustified step for licensure was not eliminated with the passage of the Code. An attempt to resolve this problem may be found in L. D. 1134. - An Act to Revise the Laws Relating to Financial Institutions, which is still pending before the Committee on Business Legislation.

Respectfully,

John E. Quinn
Superintendent

JEQ/jh