# **02 DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

**029 BUREAU OF FINANCIAL INSTITUTIONS**

**Chapter 101: RETENTION OF RECORDS - FINANCIAL INSTITUTIONS (Reg. #1)**

**SUMMARY:** On October 19, 1977, the Bureau of Banking promulgated Regulation #1 (Retention of Records - Trust Companies and Savings Banks), Regulation #2 (Retention of Records - Savings and Loan Associations), and Regulation #3 (Retention of Records - Credit Unions), which replaced regulations issued in February, 1961 that were printed in December, 1975. These regulations were promulgated to prescribe the minimum periods for which records in financial institutions must be retained. Since the promulgation of Regulations #1, 2, and 3, there have been many new products and services developed by the financial industry. Computerization of banking transactions has produced many other types of records. Because of these changes, retention schedules embodied in the 1977 rules have become somewhat outdated and do not specifically address a variety of new documents essential to comprehensive recordkeeping.

Throughout the last decade, many of the same types of products and services are being offered by all types of financial institutions. Therefore, in the interest of simplicity, the Bureau proposes to expand Regulation #1 retention schedule to include documents utilized by all types of financial institutions during the course of business and Regulations #2 and #3 will be repealed. Any such amendment or repeal shall not affect any action taken prior to such amendment or repeal.

**I. AUTHORITY**

 Title 9-B MRSA Section 225 requires that all records of financial institutions be retained for such minimum periods as the superintendent may prescribe.

 31 CFR 103 sets forth the retention of records requirements for financial institutions and credit unions as established by the Secretary of the Treasury.

 12 CFR Part 749 addresses other recordkeeping requirements for federally insured credit unions subject to the supervision of the National Credit Union Administration.

**II. PURPOSE**

 To classify records kept by financial institutions operating in Maine and to prescribe the minimum period for which these records shall be maintained.

**III. DEFINITIONS**

A. "Financial institution" means a financial institution as defined by Title 9-B MRSA Section 131(17-A), or a credit union as defined by Title 9-B MRSA Section 131(12-A).

B. "Media reproduction" means recording, copying, or reproducing records by any photographic, photostatic, microfilm, micro-card, miniature photographic, optical disk that is not erasable, or other process which accurately reproduces or forms a durable medium for so reproducing the original, the reproduction or copy, when satisfactorily identified, is as admissible in evidence as the original itself in any judicial or administrative proceeding.

C. "Record" means all documentary material, regardless of media or characteristics, made or received and maintained by a financial institution in accordance with law or regulation or in the transaction of its official business.

D. "Deposit account" means a deposit account as defined in Federal Reserve Regulation D, "Reserve Requirements of Depository Institutions" (12 CRF 204) and members accounts of credit unions as defined in the National Credit Union Administration Rules and Regulations (12 USC).

**IV. AUTHORIZATION AND LIMITATIONS**

 Financial institutions shall retain records for such minimum periods as prescribed by the following schedule, insofar as it does not contravene federal law. The Records Retention Schedule, which is contained in Section VI of this rule, is organized by function and is representative of those records utilized during the course of operation of a financial institution. All records may not be specifically addressed in this rule; financial institutions are encouraged, although not required, to supplement this schedule to meet their operational needs. All records, with the exception of those that are considered to be of a permanent nature, may be retained in media reproduction format for the periods of time designated in Section VI of this rule. Records designated for permanent retention must be held in original form.

**V. FEDERAL REGULATIONS**

 It is recognized that the retention of certain financial institution records may be governed by federal rule/statute. It is further recognized that there may exist differences in scope and coverage between this regulation and federal rules governing retention of those records. All records of financial institutions shall be maintained in accordance with the Records Retention Schedule found in Section VI of this regulation insofar as such retention schedule does not contravene paramount federal law. Those records that are not addressed in Section VI of this regulation, and for which there is a retention schedule required under federal law, shall be retained for the period of time specified in said federal law.

**VI. PERIOD OF RETENTION (IN YEARS UNLESS SPECIFIED OTHERWISE)**

 **ACCOUNTING**

 Accounts Payable 6

 Accounts Receivable 6

 ATM Machine Settlement 3

 Branch Daily Statement 3

 Branch Petty Cash Checks 6

 Budgets 1

 Canceled Checks 7

 Cash Reserve Reports 2

 Corporate Tax Returns, Tax Liability Calculations 7

 Correspondent Bank Accounts ‑ Statements 6

 Currency Orders & Shipments 1

 FASB 91 Accounting Records (after termination of loan) 6

 Fixed Asset Records - annual record of depreciation expense 7

 Fixed Asset Records - detail of individual assets, including cost, method of 7

 depreciation, accumulated depreciation, net book value

 (after disposition/abandonment)

 General Ledger Records 10

 General Ledger Tickers & Transaction Reports 6

 General Ledger Proof Sheets 2

 Inactive/Dormant Account Records 10

 Incoming Cash Letters 3 Months

 Invoices from Vendors 6

 Journal Entry Records 6

 On‑line Transaction Reports 2 Months

 Other Real Estate Owned (OREO) Records 6

 Outgoing Cash Letters 3

 Reconcilements of Bank (Due To/From) 6

 Regulatory Reports/Call Reports 10

 Semi‑annual Assessment Forms 3

 Teller Overs & Shorts 3

 Teller/Branch Proof Records 3

 Trial Balance ‑ End of Year 6

 Trial Balance ‑ Other than End of Year 2 Months

 **AUDIT/SECURITY**

 Abandoned Property Reports 10

 Audit Reports ‑ External 10

 Audit Reports ‑ Internal 6

 Audit Workpapers ‑ Internal 6

 Documentation Relating to Fraud, Embezzlement Permanent

 Security Audio/Video Tapes (Not Used as Evidence) 2 Months

 **CORPORATE RECORDS**

 Bank‑Owned Property‑Contracts/Leases, Deeds, 10

 Mortgages, (after disposition/abandonment)

 Board/Committee Minutes Permanent

 Bylaws Permanent

 Canceled Stock & Bond Certificates & Expired Options 7

 Charter Permanent

 Contracts and Leases (Expired) 7

 Dividend Reports Permanent

 Examination Reports/Regulatory Agreements Permanent

 Insurance Claims (after Settlement) 7

 Insurance Policies (Expired) 3

 Licenses & Permits (after Expiration) 7

 Litigation Permanent

 Proxies 6

 Stock Transfer Records Permanent

 Stockholders Certificates (Unissued) Permanent

 Stockholders Register Permanent

 **CORRESPONDENCE**

 Attachments, Garnishments, Liens, Levies 6

 Date of Death Notification 6

 General Correspondence 3

 Letters of Appointment 6

 Name & Address Change Forms 6

 Subpoenas Permanent

 **Registered Mail:**

 Registered Mail Record (Incoming & Outgoing) 3

 Returned Mail (Excluding Promotional Material) 1

 Return Mail Register 6

 Return Receipt Cards 3

 **CUSTOMER SERVICES**

 Broker's Confirmations & Invoices 6

 Cash/Returned Items 3

 Foreign Currency Draft Log 6

 Night Deposit Contracts & Logs (after date of final activity in account) 2

 Receipt Books 2

 Repurchase Agreements (after date of final activity in account) 2

 Safekeeping Records & Receipts (after date of final activity in account) 6

 Safety Deposit Records (after date of final activity in account) 6

 Securities Buy/Sell Orders 6

 Travelers Checks Records 2

 Wire Transfers 6

 **DEPOSIT SERVICES**

 Certificates of Deposit (after date of final activity in account) 6

 Club Accounts (after date of final activity in account) 3

 Collections Items 3

 Debit and Credit Adjustment Tickets 6

 Deposit Rate Sheets 6

 Deposit/Withdrawal Tickets 6

 Overdraft Reports 6 Months

 Paid Items 6

 Signature Cards (after date of final activity in account) 6

 Statements (Copies of periodic) 6

 Stop Payment Orders 1

 Truncated Checks 6

 Undeliverable Statements & Canceled Checks 6

 **HUMAN RESOURCES**

 **Benefit Plans:**

 Pension ‑ Annual Reports 40

 Pension Plan Description 40

 Profit Sharing Plan Description 7

 Profit Sharing Plan Records 7

 **Payroll Records:**

 Authorization of Deductions (after Termination of

 Employee or Cancellation/Revision of Deductions) 1

 Time Cards 6

 Garnishments 6

 **INVESTMENTS**

 **Bonds:**

 Amortization Records 6

 Confirmations 1

 Correspondence 2

 Safekeeping Receipts 2

 **Brokers' Securities:**

 Brokers' Securities 2

 Brokers' Statement 2

 Report of Lost or Stolen Securities 3

 Safekeeping Advice 2

 Taxpayer ID Number 5

**INVESTMENTS** (Continued)

 **Commercial Paper:**

 Brokers' Advices 2

 Purchase Orders 2

 Remittance Advices 2

 **Investment Certificates:**

 Certificates 7

 Full Paid Share 7

 Interest Accrual Records 7

 Interest Remittance Advices 7

 Investment Purchase Orders 2

 Miscellaneous Maturities 3

 Safekeeping Receipts 2

 Securities Register 10

 **Mortgage Backed Securities:**

 Buy & Sell Agreements 3

 Commitment Letters 3

 FHLMC/FNMA Loan Files 7

 GNMA Certificates 7

 Interest Accrual Records 7

 Monthly Remittance Reports 7

**LOANS**

 **NOTE: Unless otherwise indicated, all loan records are to be kept for the time period indicated AFTER the date of final activity.**

 **General:**

 Charge Off Records 10

 Charged Off Notes 10

 Loan Application File‑Denied 25 Months

 Loan Officer Committee Records 6

 New Loan Journal 6

 Overdraft Loan Agreements 6

 Paid Loan Journal 6

 Payment Tickets 6

 Periodic Customer Statements 6

 Rate Sheets 6

 Transaction Journal As Original Entry 6

 Transaction Journal By Product of Post 2

 W‑9's 3

 **LOANS** (Continued)

**Commercial Loans:**

 Approved Loan File:

 Applications 6

 Appraisals 6

 Bill of Sale 6

 Borrowing Resolutions 6

 Business Annual Reports (Fiscal/Yr End) (after date of report) 3

 Business Cashflow Analysis (after date of report) 3

 Business Income/Expense Statements (after date of statement) 3

 Business Tax Returns (after date of return) 3

 Commitment Letters 6

 Committee Presentations 6

 Correspondence 6

 Declaration of Value (Transfer Tax Form) 6

 Disclosure Records 6

 Evidence of Insurance 6

 Guarantee 6

 Memos 6

 Mortgage Deed (Copy of) 6

 Personal Financial Statements (after date of statement) 3

 Promissory Note 6

 Purchase and Sales Agreement 6

 Security Agreement 6

 Supporting Corporate Documents ‑ Certificate of Good Standing 6

 Supporting Corporate Documents ‑ Corporate Vote 6

 Title Opinion 6

 **Consumer Loans:**

 Approved Loan File: 6

 Application 6

 Collateral Records 6

 Commitment Records 6

 Correspondence 6

 Credit Report 6

 Disclosure Statements 6

 Evidence of Compliance with Fair Credit Reporting Act Resolution 6

 Hazard Insurance Records 6

 Invoices 6

 Life & Disability Insurance Records 6

 New Account Setup Records 6

 Promissory Note And Any Modification Agreements – Copy of 6

 Records of Credit Transactions 6

 Title ‑ Copy of 6

 UCC Filings ‑ Copy of 6

**LOANS** (Continued)

 **Real Estate Loans:**

 Approved Loan File: 6

 Application 6

 Appraisal 6

 Assignment of Escrow 6

 Assumption Letters 6

 Commitment Letters 6

 Correspondence 6

 Credit Report 6

 Deed 6

 Disclosure Records 6

 Escrow Records 6

 FHA Insurance Certificates 6

 Good Faith Estimate 6

 Hazard Insurance Life of Loan

 Promissory Note & Any Modification Agreements – Copy of 6

 Proof of Insurance Excluding Hazard 6

 Sales Contracts 6

 Settlement Sheet 6

 Survey 6

 Title Documentation 6

 VA Loan Guarantee 6

 Verification of Deposit Life of Loan

 Verification of Employment Life of Loan

 **Construction Loans:**

 **Approved Loan File:**

All Relevant Documents from Real Estate Loan File as Listed Above,

 Plus Any of the Following:

 Certificate of Occupancy 6

 Construction Progress Reports 6

 Contractors Cost Breakdown 6

 Disbursement Documentation 6

 Inspection Reports 6

 Residential Construction Specifications & Materials List 6

**LOANS** (Continued)

**Credit Card Loans:**

 **Consumer File:**

 Approved Loan File:

 Application 6

 Correspondence 6

 Credit Reports 6

 Disclosure Statements 6

 Records of Credit Transactions 6

 **Merchant File:**

 Approved Loan File:

 Application 6

 Site Inspection 6

 Credit Report 6

 Merchant Agreement 6

 **TRUST DEPARTMENT**

 **Accounting Records:**

 Budget Work Papers 4

 Expense Checks 6

 Expense Sheets 4

 General Ledger 10

 Paid Bills, Statements, Invoices 6

 Reconcilements 3

 Tax Work Papers 10

 **Administration:**

 Appraisal of Real and Personal Property 10 \*

 Correspondence, Important and/or Controversial 10 \*

 Correspondence, Routine and Memorandums 3 \*

 Decedents Personal Records ‑ Deliver/remaindermen 0

 Decrees or Receipts and Releases 10 \*

 Fee Records and Supporting Data 2 \*

 Intermediate and Final Accounts 10 \*

 Judgments, Court Orders, Legal Opinions, etc. 10 \*

 Paid Bills ‑ after paid 3

 Real Estate Insurance Policies ‑ after expiration 1

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\* After termination of fiduciary responsibility

**TRUST DEPARTMENT** (Continued)

 Real Estate and Mortgage Documents 10 \*

 Receipts for Assets Received or Delivered 10 \*

 Records of Asset Tax Costs 10

 Scholarship Grants ‑ after distribution 5

 Summary Cards, Original Instruments, Agreements and Amendments,

 Letter of Appointment 10 \*

 Synopsis Sheets 3 \*

 **Investments:**

 Annual Reports ‑ Common Trust and Pooled Funds 10

 Common Trust/Pooled Fund Valuations 10

 Common Trust/Pooled Fund Workpapers 7

 Investment and Administrative Committee ‑ Minutes 10

 Investment Orders (Tickets) and Brokers Confirms 7 \*

 Investment Review and Related Material 3 \*

 Routine Correspondence and Memoranda (after date of transaction or closing) 2

 Summary of Annual Account Activity 10 \*

 **Internal Operations:**

 Abandoned Property Reports ‑ after date filed 10

 Asset Trial Balances 10

 Brokers Monthly Statements 6

 Canceled Trust Checks 10

 Cash and Asset Blotter 7

 Cash Dividend, Stock Dividend, Split and Bond Interest Proof, Maps, Claims 5

 Copies of Cash and Assets Statements 10

 Copies of IRS Forms (1087, 1099, etc.) and Supporting Papers 4

 Daily Posting and Proving Media for Cash and Assets 7

 Duties Ticklers, Check Lists, Other Internal Records 3

 Fee or Commission Ledgers 5

 General Correspondence and Memoranda 3

 Paid Bills 6

 Proxies 2

 Registered/Certified Mail Receipts 7

 Rights Offerings, Tenders, Exchanges, Reorganizations, Name Changes, etc. 5

 Trust Check Registers and Stop Payment Orders 6

 Vault Deposit and Withdrawal Tickets 10

 Vault Entry Logs 6

 Worthless Securities ‑ Original Document Permanent

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\* After termination of fiduciary responsibility

**TRUST DEPARTMENT** (Continued)

**Employee Benefit/Corporate Trust:**

 Canceled Bond/Coupons/Supporting Transfer Papers ‑

 Return to Issuing Corporation and Retain or

 Cremate and Retain Certificate of Cremation Permanent

 ERISA Annual Reports 3

 Inventory Records 10 \*

 Letters of Transmittal/Receipts of Transfer 10 \*

 Pension Payment Authorization 10

 Pension/Profit Sharing Allocation Reports 7

 Transfer Logs for Cancellation/Reissue of Certificate 10 \*

 Written and Telephone Logs with Monthly Recaps 10

 **Taxes:**

 Federal/State Estate Tax Returns and Related Papers (after Account Closed) 7

 Federal/State Gift Tax Returns 7

 Federal/State Income Tax Returns and Work Papers 7

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\* After termination of fiduciary responsibility

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