

March 5, 1997

PROPOSED AMENDMENTS TO SENATE BILL NO. 2117

Page 1, line 3, replace "section" with "sections" and after "6-03-13.5" insert ", 7-01-07, 7-02-11.1, and 7-02-14"

Page 1, line 5, after "bank" insert ", federal deposit insurance, and powers granted to state-chartered associations"

Page 2, after line 2, insert:

"SECTION 2. AMENDMENT. Section 7-01-07 of the North Dakota Century Code is amended and reenacted as follows:

7-01-07. Certificate of state banking board required - Examination by board - Review by court - Federal ~~savings and loan~~ deposit insurance required. ~~Whenever~~ If the articles of incorporation of a proposed association are in due form and regularly executed and the bylaws have been approved as required by this chapter, the state banking board shall ascertain the responsibility, character, and general fitness of the incorporators, ~~and whether or not~~ there is a reasonable need for the existence of ~~such an~~ the association, and whether ~~or not~~ the public convenience and advantage will be promoted thereby. If the banking board is not satisfied with the result of its investigation, within sixty days after ~~said~~ the articles of incorporation and bylaws have been presented to ~~it the board, it the board~~ shall endorse upon each copy of the articles of incorporation the word "refused", with the date of ~~such the~~ endorsement, and the reason for ~~such the~~ refusal, ~~and~~. The board shall return ~~forthwith~~ one copy of ~~such the~~ articles of incorporation to the proposed incorporators from whom the ~~same was~~ articles were received, and such. The refusal is conclusive unless the incorporators, within thirty days after the issuance of ~~such the~~ notice of refusal, apply to the district court of Burleigh County, North Dakota, for a writ of mandamus to compel the filing of ~~such the~~ articles of incorporation and granting of a certificate to do business. A savings and loan association shall, after July 1, 1979, secure federal ~~savings and loan insurance~~ corporation deposit insurance with an agency or instrumentality of the United States of America of accounts before it is authorized to commence business. Evidence of securing ~~such that~~ insurance must be furnished to the commissioner before the certificate of authority ~~may be~~ is delivered to the savings and loan association."

Page 3, after line 2, insert:

"SECTION 5. AMENDMENT. Section 7-02-11.1 of the North Dakota Century Code is amended and reenacted as follows:

7-02-11.1. Operation without federal ~~savings and loan account~~ deposit insurance prohibited - Liability - Penalty. No state savings and loan association may, after December 31, 1979, engage in the savings and loan business without securing and continuing in force ~~federal savings and loan insurance corporation~~ insurance of accounts with an agency or instrumentality of the United States of America. Any officer or director of any state savings and loan association who violates this section is guilty of a class A misdemeanor and is personally liable to any person aggrieved for any damages caused by the violation.

SECTION 6. AMENDMENT. Section 7-02-14 of the North Dakota Century Code is amended and reenacted as follows:

7-02-14. Powers granted federally chartered savings and loan associations extended to state-chartered associations. Any provision of law to the contrary notwithstanding, any state-chartered savings and loan association having insurance of accounts with ~~the federal savings and loan insurance corporation an~~ agency or instrumentality of the United States of America may, in addition to any loan, investment, ~~or account, or activity~~ now permitted, make any loan, investment, or account ~~which such that the association could make or offer were it incorporated and operating as, or engage in any activity authorized for a federal savings and loan association with its domicile in this state. To the extent that the additional loans, investments, or accounts, or activities hereby authorized; are an enlargement of powers already granted by law, then such the additional loans, investments, and accounts, and activities must be made on the same terms and conditions and subject to the same limitations as are now permitted or as may hereafter be permitted in case of federally chartered savings and loan associations under presently existing, or later adopted regulations of the federal home loan bank board and the rules and regulations for the federal savings and loan system, or otherwise applicable federal regulatory agency. Any authority that is subject to discretionary approval by the federal regulatory agency is subject to discretionary approval by the state banking board."~~

Renumber accordingly