

izations of this state authorized to make mortgage loans and whose mortgage lending is regulated by law, are authorized to make or buy and sell any loan secured or unsecured, which is insured or guaranteed in any manner in part or in full by the United States or any instrumentality thereof, or by this state or any instrumentality thereof, or for which there is a commitment to so insure or guarantee, or for which a conditional guarantee has been issued, provided, however, that if such insurance or guarantee is less than twenty percent of the true normal value it must first be approved in writing by the State Examiner, and in the event of any such loan being made by a state bank in a principal amount in excess of ten percent of the capital and surplus of such bank, it must first be approved by the State Examiner.

Approved March 13, 1945.

BUILDING AND LOAN ASSOCIATIONS

CHAPTER 145

H. B. No. 220

Introduced by Representatives Hovey and Olson of Barnes

ADVANCEMENT OF FUNDS BY BUILDING AND LOAN ASSOCIATIONS

An Act To amend and re-enact Section 7-0414 and Section 7-0417 of the North Dakota Revised Code of 1943 pertaining to advances by Building and Loan Associations and repayment of the same.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] Section 7-0414 of the North Dakota Revised Code of 1943 is hereby amended and re-enacted to read as follows:

§ 1. 7-0414. ADVANCEMENT OF FUNDS TO PROTECT LIENS.] Any association may advance funds or make additional loans to members from time to time for maintenance, repairs, modernization and improvement of real estate on which the association owns a first mortgage lien, and for insurance premiums and taxes due and owing thereon, up to the original amount of said mortgage or five hundred dollars, whichever may be the lesser, with or without changing the terms of said mortgage, and may carry such advances or loans upon its books as assets of the association, provided the said first mortgage

by its terms reserves in the association the right to make such advances or additional loans and provided further that such advances or loans are used for the purpose stated herein. Such advances or loans shall be deemed to be merged, incorporated in and become a part of and secured by said first mortgage and the association shall have a good and valid first lien against such real estate and the pledged shares of such member to secure the payment of funds so advanced or loaned.

§ 2. AMENDMENT.] Section 7-0417 of the North Dakota Revised Code of 1943 is hereby amended and re-enacted as follows:

§ 7-0417. REPAYMENT OF LOANS.] A share holder may repay at any time any loan made to him by an association by paying the principal due thereon less the withdrawal value of the shares transferred as security therefor, the interest accrued at the date of such repayment, and all sums advanced by the association for taxes, assessments, insurance premiums, maintenance, repairs, modernization, and improvements, with interest thereto:

1. Interest on the principal repaid for a period of three months after the day of repayment, or any such borrowing member may pay upon any such loan a sum equal to the matured value of one or more of the installment shares transferred and pledged as security therefor, upon the same proportionate terms as are provided in this section for payment in full;

2. Interest upon such principal for the whole year when so provided in the by-laws of the association, if the repayment is made at any time within one year from the date of the mortgage or other evidence of debt;

3. If any such association is in the process of voluntary liquidation, the shares of a borrowing shareholder shall be entitled to full participation in the current earnings of such association, and their value as thus determined shall be applied upon the indebtedness of such member; and

4. If any such association is in the process of involuntary liquidation, the minimum value of the shares owned by the borrowing shareholder, after allowing for all possible losses and the expenses of liquidation, may be allowed in the reduction of his indebtedness, and he shall be entitled to receive his proportionate share of any further sums that thereafter may be realized from the assets of such association. Nothing in this section shall be construed to prevent the reduction of any such association's liability to its members, in accordance with section 7-0420.

Approved March 12, 1945.

CHAPTER 146

S. B. No. 167

Introduced by Senators Bridston and Shure

BUILDING AND LOAN ASSOCIATIONS, LOANS AND
INVESTMENTS

An Act To Amend and reenact subsection 10 of Section 7-0208 of the North Dakota Revised Code of 1943, relating to loans and investments of building and loan associations, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. AMENDMENT.] That subsection 10 of Section 7-0208 is hereby amended and reenacted to read as follows:

7-0208, Subsection 10. To invest its idle funds in bonds and other obligations of the United States; in bonds and other obligations of foreign countries when first approved by the State Examiner; in bonds or evidences of debt of this state or any political subdivision thereof; in bonds or evidences of debt of any other state in the Union; or in bonds or evidences of debt of any county, city, or school district having a population according to the last state or federal census of ten thousand or more inhabitants, in any such other state of the Union.

§ 2. EMERGENCY.] This act is hereby declared to be an emergency and shall be in full force and effect from and after its passage and approval.

Approved March 13, 1945.