

BUILDING AND LOAN ASSOCIATIONS

CHAPTER 101

H. B. No. 722
(Fitch and Saumur)

ADVANCEMENT OF FUNDS TO PROTECT LIENS; LIMITATION OF LOANS BY BUILDING AND LOAN ASSOCIATIONS

AN ACT

To amend and reenact sections 7-0414 of the 1949 supplement to the North Dakota Revised Code of 1943 and 7-0416 of the North Dakota Revised Code of 1943 pertaining to advancement of funds to protect liens and to limitation of loans by building and loan associations.

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

§ 1. AMENDMENT.) Section 7-0414 of the 1949 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

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, up to the original amount of said mortgage or twenty 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 7-0416 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

7-0416. LIMITATION OF LOANS.) It shall be unlawful for any association, the assets of which do not exceed fifty thousand dollars, to make loans exceeding five thousand dollars in the aggregate upon any one piece of property. If its assets exceed fifty thousand dollars but do not exceed one hundred thousand dollars, it shall be unlawful for it to make loans exceeding seven thousand five hundred dollars in the aggregate upon any one piece of property. If its assets exceed one hundred thousand dollars but do not exceed two hundred thousand dollars, it shall be unlawful for it to make loans exceeding ten thousand dollars in the aggregate upon any one piece of property. If its assets exceed two hundred thousand dollars but do not exceed five hundred thousand dollars, it shall be unlawful for it to make loans exceeding fifteen thousand dollars in the aggregate upon any one piece of property. If its assets exceed five hundred thousand dollars, it shall be unlawful for it to loan to exceed three per cent of its assets upon any one piece of property. Any loan exceeding twenty thousand dollars, before being accepted and passed by any association, shall have the approval of an affirmative vote of two-thirds of the members of the board of directors of such association, and such vote shall be recorded. No loan upon any one piece of property in any event shall exceed one hundred thousand dollars.

Approved March 5, 1953.

CHAPTER 102

H. B. No. 721
(Fitch and Saumur)

DESTRUCTION OF BUILDING AND LOAN ASSOCIATION
RECORDS

AN ACT

To be incorporated in chapter 7-04 of title 7 of the North Dakota Revised Code of 1943 as section 7-0423 thereof, and pertaining to the destruction of records by building and loan associations.

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

§ 1.) That there be incorporated in chapter 7-04 of title 7 of the North Dakota Revised Code of 1943 as section 7-0423 thereof to read as follows:

7-0423. DESTRUCTION OF RECORDS.) No association shall be required to preserve its records of accounts or files for a longer period than six years next after the first day of January of the year following the final date of the termination of such accounts.

Approved March 4, 1953.