

# BUILDING AND LOAN ASSOCIATIONS

---

## CHAPTER 100

H. B. No. 718  
(Fitch and Nygaard)

---

### MEMBERS OF BUILDING AND LOAN ASSOCIATIONS

#### AN ACT

To amend and reenact section 7-0401 of the North Dakota Revised Code of 1943 relating to the operation of building and loan associations.

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

**§ 1. Amendment.)** Section 7-0401 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

**7-0401. Shareholders: Definition; Voting Privileges.)** The owners of shares in an association shall be known as shareholders. Each shareholder shall be entitled to vote in person or by proxy at all meetings of the association, and shall have one vote for each share owned and held by him. Each borrower in such association shall be deemed to be a member thereof until his loan has been paid in full and shall be entitled to one vote, in person or by proxy, as such member.

Approved March 5, 1957.

## CHAPTER 101

H. B. No. 697

(Hilleboe, Schuler and Goebel)

## FIRST MORTGAGE ADVANCES

## AN ACT

To amend and reenact section 7-0414 of the North Dakota Revised Code of 1943 as amended by chapter 145 of the Session Laws of 1945, and by chapter 101 of the Session Laws of 1953, relating to the operation of building and loan associations.

*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, as amended by chapter 145 of the Session Laws of 1945, and by chapter 101 of the Session Laws of 1953, 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 on real estate on which the association owns a first mortgage lien, up to the original amount of said mortgage or five thousand 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. 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.

Approved March 5, 1957.