

BUILDING AND LOAN ASSOCIATIONS

CHAPTER 145

SENATE BILL NO. 2179
(Committee on Industry, Business and Labor)
(At the request of the
Department of Banking and Financial Institutions)

SAVINGS AND LOAN CAPITAL REQUIREMENT

AN ACT to amend and reenact section 7-01-04 of the North Dakota Century Code, relating to capital of savings and loan associations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 7-01-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

7-01-04. "AMOUNT OF CAPITAL" DEFINED - PAID IN - MAINTAINED.) The amount of capital designated in the articles of incorporation shall be deemed to refer to the par value of the authorized capital shares, and the organization may be completed and business commenced when not less than fifty thousand dollars have been paid in, in cash, and the provisions of this chapter have been complied with. The state banking board may require such additional capital as it may determine necessary to properly serve the area and to protect the public interest. A sum of not less than ten thousand dollars must be maintained and kept on hand by said association at all times.

Approved March 8, 1979

CHAPTER 146

SENATE BILL NO. 2178
 (Committee on Industry, Business and Labor)
 (At the request of the
 Department of Banking and Financial Institutions)

SAVINGS AND LOAN ACCOUNT INSURANCE

AN ACT to create and enact a new section to chapter 7-02 of the North Dakota Century Code, relating to savings and loan association account insurance; to amend and reenact section 7-01-07 of the North Dakota Century Code, relating to insurance requirement and certificates of authority of state savings and loan associations; and providing a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 7-01-07 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

7-01-07. CERTIFICATE OF STATE BANKING BOARD REQUIRED - EXAMINATION BY BOARD - REVIEW BY COURT - FEDERAL SAVINGS AND LOAN INSURANCE REQUIRED.) Whenever 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 association, and whether or not the public convenience and advantage will be promoted thereby. ~~Prior to the investigation by such board, the applicants shall pay to the board such sum as the board may designate not exceeding five hundred dollars to defray the cost of investigation and other costs of the board thereto.~~ If the banking board shall not be satisfied with the result of its investigation, within sixty days after said articles of incorporation and bylaws have been presented to it, it shall endorse upon each copy of the articles of incorporation the word "refused", with the date of such endorsement and the reason for such refusal, and shall return forthwith one copy of such articles of incorporation to the proposed incorporators from whom the same was received, and such refusal shall be conclusive unless the incorporators, within thirty days after the issuance of such notice of refusal, shall apply to the district court of Burleigh County, North Dakota, for a writ of mandamus to compel the filing of such 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 insurance of accounts before it is authorized to commence business. Evidence of securing such insurance must be furnished to the commissioner before the certificate of authority may be delivered to the savings and loan association.

SECTION 2.) A new section to chapter 7-02 of the North Dakota Century Code is hereby created and enacted to read as follows:

OPERATION WITHOUT FEDERAL SAVINGS AND LOAN ACCOUNT INSURANCE PROHIBITED - LIABILITY - PENALTY.) No state savings and loan association shall, 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. Any officer or director of any state savings and loan association who violates this section is guilty of a class A misdemeanor and shall be personally liable to any person aggrieved for any damages caused by the violation.

Approved March 12, 1979

CHAPTER 147

SENATE BILL NO. 2415
(Melland)

INSTALLMENT LOAN CHARGES

AN ACT to amend and reenact sections 7-02-04 and 13-04-01 of the North Dakota Century Code, relating to charges on installment savings and loan association and bank loans.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 7-02-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

7-02-04. INTEREST, DUES, ASSESSMENTS LIMITED - USURY.) ~~Interest Except as provided by this section, interest collected by such associations in--no-event-shall~~ may not exceed twelve percent per annum on the amount of the loan. An association may charge interest not to exceed one and one-fourth percent simple interest per month upon the unpaid balance of a loan not secured by real estate. Interest not exceeding one percent per month also may be charged on delinquent payments or installments from the time such delinquent payments or installments are due. No association shall charge or collect from any shareholder, member, or borrower any fines, premiums, or penalties of any kind whatsoever except as herein provided for delinquent payments or installments. Such dues, interest, or advancements collected from members or others, within the limits of this section, shall not be deemed usury although in excess of the legal rate of interest.

SECTION 2. AMENDMENT.) Section 13-04-01 of the 1977 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

13-04-01. INSTALLMENT BANK LOAN CHARGES.) Any bank organized under the laws of this state and under the jurisdiction and supervision of the state banking board, or any national banking association doing business in the state, making any loan of money not exceeding twenty-five thousand dollars repayable in installments, may make a charge for such loan computed at a rate not exceeding ~~twelve~~ one and one-fourth percent simple interest per ~~annum~~ month upon the unpaid balance of the loan from the date

thereof until ~~the~~ paid. The stated maturity date of the final installment ~~thereof,--which~~ shall not exceed fifteen years and thirty-two days from the date of the loan, notwithstanding that such loan is required to be repaid in installments or that the loan is secured by mortgage, pledge, or other collateral, except that this chapter shall not apply to loans secured by realty. Any charge authorized by this chapter may be included in the principal amount of the note or other instrument evidencing said loan and the aggregate amount thereof be payable in installments.

The minimum charge for any loan hereunder may be fifteen dollars.

Approved March 28, 1979

CHAPTER 148

HOUSE BILL NO. 1426
(Kloubec, Rued)

SAVINGS AND LOAN AUTHORITY

AN ACT to amend and reenact section 7-02-14 of the North Dakota Century Code, relating to extending powers granted federally chartered savings and loan associations to state-chartered savings and loan associations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 7-02-14 of the North Dakota Century Code is hereby amended and reenacted to read 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 may, in addition to any loan ~~or~~ investment, or account now permitted, make any loan ~~or~~ investment, or account which such association could make or offer were it incorporated and operating as a federal savings and loan association with its domicile in this state. To the extent that the additional loans ~~or~~ investments, or accounts, hereby authorized, are an enlargement of powers already granted by law, then such additional loans ~~and~~ investments, and accounts shall 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.

Approved March 8, 1979