

CHAPTER 287.

H. F. No. 989.

An act to amend section twenty-seven (27) of chapter one hundred and thirty-one (131), general laws of Minnesota 1891, relating to building, loan and savings associations doing a general business.

Building, loan and savings institutions doing a general business.

Be it enacted by the Legislature of the state of Minnesota:

SECTION 1. That section twenty-seven (27) of chapter one hundred and thirty-one (131) of the general laws of one thousand eight hundred and ninety-one (1891) is hereby amended to read as follows:

Amendment.

Sec. 27. Any shareholder whose share or shares are not in arrears or pledged upon a loan, shall be entitled to withdraw such share or shares at any time twenty-four (24) months from and after the date of the first payment on such share or shares, and not before such date.

Withdrawal of shares.

Provided, that the board of directors may, if they deem it to the interest of the association, buy in the share or shares of any shareholder desiring to withdraw at a previous date, paying therefor the sum paid in on said shares less such discount as may be agreed upon, and which shall not in any case exceed eight (8) per cent. Any such shareholder may give notice of withdrawal in writing to the secretary of said association, and the liability of said shareholder to pay further installments and right to share in future profits shall cease with said notice. Such withdrawing shareholder shall be entitled to receive, at the end of two (2) years from the date of his first payment, all monthly payments made on account of such share or shares (not including admission fees or fines) less the following deductions:

Directors may buy in shares.

Notice of withdrawal.

Payments and deductions.

Fifty (50) cents on each certificate in payment for issuing and canceling the same, and two (2) per cent. of the amount so paid in for a contingent or reserve fund to be used by the association to meet any contingency or loss in its business, from the depreciation of its securities or otherwise (provided, that if the share or shares on which such notice of withdrawal is given are in arrears, a fine of ten (10) cents per share for each thirty (30) days such share or shares are delinquent may be deducted, in addition to the withdrawal fee and charge for the reserve fund hereinbefore provided for.) All stockholders who do not give the notice as herein provided, failing to make payments shall be subject to a fine of ten (10) cents per share per month for each month such pay-

ments are in arrears, for a period of six (6) months after the last payment made (such fines in the aggregate not to exceed the sum of sixty (60) cents per share), and at the end of such period of six (6) months, if the arrearages and fines remain unpaid the balance of such monthly payments, if any, after deducting the certificate fee, contingent fund and fines as herein provided, shall be subject to withdrawal at a period not less than twenty-four (24) months from the date of the first payment, on application of the stockholder. If such delinquent shares are not reclaimed or called for within twenty-four (24) months from the date of the last payment, the balance, if any, to the credit of such delinquent shares shall be transferred to the contingent fund herein provided for, and the delinquent shareholder shall, from the time of such transfer, have no further claim upon the association on account of such share or shares, or the payments made thereon.

Shares  
pledged as  
collateral.

*Provided*, that such shares, which may have been pledged as collateral for the payment of a loan and become delinquent, shall be adjusted as provided for in section four (4) of this act. If such withdrawing member has made twenty-four (24) or more payments and less than thirty-six (36) payments he shall receive the amounts paid less the deductions provided for, and interest on such amount at the rate of five (5) per cent. per annum, for the actual time the association has had the payments in excess of twenty-four (24) months; and if such withdrawing member has made thirty-six (36) or more payments and less than forty-eight (48) payments, he shall receive the amount paid in, less the deduction provided for, and interest on such amount at the rate of six (6) per cent. per annum for the actual time the association has had the payments in excess of twenty-four (24) months; and if such withdrawing member has made forty-eight (48) payments and less than sixty (60) payments he shall receive the amount paid in, less the deductions provided for, and interest on said amount at the rate of seven (7) per cent. per annum for the actual time the association has had the payments in excess of twenty-four (24) months; and if such withdrawing member has made sixty (60) or more payments, and the stock has not reached a maturity value, he shall receive the amount paid in less the deductions provided for, and interest on such amount at the rate of eight (8) per cent. per annum for the actual time the association has had the payments.

Relating to  
net profits.

*Provided*, that the net profits of the association for the time the association has had the use of all its funds, shall amount to the sum of five (5), six (6), seven (7)

and eight (8) per cent per annum, computed on the amounts paid in all the shares in force at the time such withdrawals are made, and if such profits are not sufficient when so computed, then the stock so withdrawn shall be entitled to a rate per cent. found to be earned as net profits during said period, such interest payments to be in all cases in lieu of such profits.

*Provided, further,* that if by reason of extraordinary losses the entire net profit is exhausted, the withdrawing member shall not be entitled to the interest herein named; and if by reason of extraordinary losses, the association is compelled to charge such losses against its capital actually paid in, all withdrawing shares shall be subject to a pro rata charge of such losses with those remaining undrawn, and in such case all payments here-in provided shall be considered of no effect, and the withdrawing member shall only be entitled to such sums as may be found to be due him after the adjustment of such losses among all shareholders.

If net profit is exhausted.

And *provided, further,* that whenever the capital of an association has been impaired by losses in excess of its reserve fund and profits earned, it shall be the duty of the directors to suspend sales of all classes of stock until such losses have been adjusted and distributed pro rata as a charge upon the shares of stock in force.

Impairment of capital.

And *provided, further,* that no more than one-half ( $\frac{1}{2}$ ) of the amount received in payments on stock by such association in any month shall be used to pay the withdrawal and maturity value of stock without the consent of the board of directors.

Not more than one-half of monthly payments on stock available.

And *provided, further,* that any association that has issued shares maturing at a definite period, which finds that its assets will not be sufficient under the mutual system to mature its stock at such period without unusual assessments, may with the consent of any stockholder settle and discharge his stock by paying to him at the maturity period, or sooner, if its directors deem it practicable, such sum as he had paid into such association for monthly dues and withdrawal assessments, and such proportion of the profits as shall be mutually deemed by them equitable.

Shares maturing at a definite period.

SEC. 2. All acts and parts of acts inconsistent with this act are hereby repealed.

SEC. 3. This act shall take effect and be in force from and after its passage.

Approved April 23, 1897.