

liquidated from that date as provided in this act. In addition to the above, out of the remainder of its monthly receipts the association may use its discretion in meeting on demand at all times all applications for withdrawals by members whose entire interest in the association amounts to less than one hundred dollars; and may further, in its discretion, pay the sum of not more than one hundred dollars, per month, to any applicant on the withdrawal list; provided that such payments of one hundred dollars per month shall be made only when emergent circumstances justify the same and only after a thorough investigation of each application has been made. The board of directors shall have full authority to prescribe such rules as may in its discretion be suitable to prevent shareholders from making any simulated or purported transfer of shares in order to expedite their withdrawals, and all rules thus made shall be binding on the members of the association. Whenever the total of applications for withdrawal exceeds sixty per cent of the accumulated capital of any association, the Commissioner of Banks, if he believes that the condition of the association justifies such an order, may direct that the payment of withdrawals as above provided be discontinued, and that thereafter all withdrawals from said association be paid on a pro rata basis, from time to time, to all persons appearing on the withdrawal list of said association. Said distribution to be made to all persons actually on the withdrawal list on a date not less than ten days previous to the day on which the pro rata distribution checks are issued."

Approved March 20, 1933.

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#### CHAPTER 101—S. F. No. 783

An act authorizing banks, savings banks, trust companies, insurance companies, and building and loan associations to become members of and to borrow money from and to invest in the stock and securities of the Federal Home Loan Bank System or of any other financial agency created by any act of Congress.

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

Section 1. **Definitions.**—For the purpose of this act the term "corporation" shall be construed to mean any bank, savings bank, trust company, insurance company, or building and loan association organized under the laws of this State; and the term "agency" shall be construed to mean the Federal Home Loan Bank of the district of which this State is a part, or of an adjoining district if convenience shall so require, or other financial corporation, association or agency created by any Act of Congress.

**Sec. 2. May become members of Federal Home Loan Bank System, etc.**—Any corporation is hereby empowered and authorized to become a member of, or stockholder in any such agency and to that end to purchase stock in or securities of or deposit money with such agency and/or to comply with any other conditions of membership or credit; to borrow money from such agency upon such rates of interest, not exceeding the contract rate of interest in this State, and upon such terms and conditions as may be agreed upon by such corporation and such agency for the purpose of making loans, paying withdrawals, paying maturities, paying debts, and for any other purpose not inconsistent with the objects of the corporation; and provided further that the aggregate amount of the indebtedness, so incurred by such corporation, which shall be outstanding at any time shall not exceed twenty-five per centum of the then total assets of the corporation; to assign, pledge and hypothecate its bonds, mortgages or other assets, and in the case of building and loan association, to repledge with such agency the shares of stock in such association which any owner thereof may have pledged as collateral security, without obtaining the consent thereunto of such owner, as security for the repayment of the indebtedness so created by such corporation and as evidenced by its note or other evidence of indebtedness given for such borrowed money; and to do any and all things which shall or may be necessary or convenient in order to comply with and to obtain the benefits of the provisions of any Act of Congress creating such agency, or any amendments thereto.

Approved March 20, 1933.

#### CHAPTER 102—S. F. No. 784

*An act relating to the expenses of building and loan associations.*

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

**Section 1. Expenses of Building & Loan Associations.**—No building and loan association, now or hereafter organized under the laws of this state, shall hereafter be permitted to pay or agree to pay to any person or corporation an agreed percentage of its stock payments or other assets, or make any payment whatsoever, in consideration of the payment by such person or corporation of the expenses of such building and loan association either in whole or in part. The intent of this act is that building and loan associations shall pay their actual expenses within the limitations imposed by law, directly to their creditors, and not through the medium of third parties; but this act shall not apply to existing contracts or to payments made or to be made pursuant thereto.

Approved March 20, 1933.