

savings banks that are subject to the supervision of the Commissioner of Banks of the State of Minnesota, in addition to mortgage investments now authorized by law, are authorized to make or purchase loans secured by first mortgage on improved real estate situated in the State of Minnesota up to an amount not exceeding 70 per cent of the appraised value of the security, provided that,

- (1) Such real estate security shall consist of residential property having not more than two apartments and
- (2) Such loans shall be payable in equal quarterly or monthly installments including principal and interest, in such amounts as will pay the loan in full in 15 years or less, or with the principal payable in quarterly or monthly installments of principal aggregating not less than 6 per cent of the original principal per year with the entire balance due within 15 years, and
- (3) Not to exceed 15 per cent of the deposits of any bank shall be invested in the mortgage loans authorized by this Act.

Approved March 23, 1945.

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#### CHAPTER 133—H. F. No. 559

*An act relating to banks, savings banks, trust companies, and safe deposit companies, prescribing penalties, amending Minnesota Statutes 1941, Sections 47.03, and 47.23, and repealing Minnesota Statutes 1941, Section 47.04 and 47.05.*

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

Section 1. Minnesota Statutes 1941, Section 47.03, is amended to read as follows :

**47.03. When use of certain words permitted.** *Subdivision 1. No individual, partnership, unincorporated association, or corporation, except as specifically authorized by the laws of this state, who does not hold an effective certificate of authority, issued by the commissioner of banks, to engage in the business of banking and is not subject to and complying with all the provisions of law relating to banks shall engage in such business, or make use of the words "bank", "banker",*

or "banking", or any derivative or compound of any such words, or any word or words in a foreign language having the same or a similar meaning, in its business name or in any sign, symbol, token, letterhead, circular, advertisement, or any other written or printed matter, in such manner as might indicate to any person that such individual, partnership, unincorporated association, or corporation is authorized to engage in the business of banking. Provided, however, that this subdivision shall not apply to any holding company affiliate or affiliate as defined in the Act of Congress, known as the Banking Act of 1933, nor to any insurance company authorized to engage in the insurance business in the State of Minnesota.

*Subd. 2. Every individual, partnership, unincorporated association or corporation which shall violate any of the provisions of this section shall forfeit to the state the sum of not to exceed \$100 for each day the violation shall continue, as determined by the court, to be recovered in a civil action to be brought by the attorney general in the name of the state at the request of the commissioner of banks, and may be enjoined from any further violation in an action brought in the name of the state for that purpose.*

Sec. 2. Minnesota Statutes 1941, Section 47.23, is amended to read as follows:

**47.23. Savings departments.** *Subdivision 1. Except as specifically authorized by other laws of this state, no individual, partnership, unincorporated association, or corporation, other than a savings bank, safe deposit company, or trust company, holding an effective certificate of authority or license issued by the commissioner of banks and subject to and complying with all of the provisions of law relating to such savings banks, safe deposit companies, and trust companies, respectively, shall in any manner display or make use of any sign, symbol, token, letterhead, card, circular, or advertisement stating, representing, or indicating that he, it, or they, are authorized to transact the business which a savings bank, safe deposit company, or trust company usually does, or under these provisions is authorized to do; nor shall any such individual, partnership, unincorporated association, or corporation use the words "savings" or "trust" or "safe deposit" alone or in combination in title or name or otherwise, or in any manner solicit business or make loans or solicit or receive deposits or transact business as a savings bank, safe deposit company, or trust company; except that a state bank, or trust company, regularly incorporated and authorized to do business under the laws of this state, may establish and maintain a savings department under the supervision of the commissioner*

of banks, and may solicit and receive deposits in this savings department and advertise the same as such, and every such trust company having a savings department may use in its name or title, in addition to the word "trust," the words "savings" or "savings bank". Saving deposits received by any trust company using the word "savings" or "savings bank" in its name or title shall be invested only in authorized securities, as defined by law, and the trust company shall keep on hand, at all times, such securities as deposits in savings bank may be invested in to an amount at least equal to the amount of the deposits, and these securities shall be the representative of, and the fund for, applicable first and exclusively to the payments of, the savings deposits. Deposits received by the trust company subject to its right to require notice of withdrawal evidenced by pass-books shall be deemed saving deposits.

*Subd. 2.* Any old line *life* insurance company which does not in any manner display or make use of any sign, symbol, token, letterhead, card, circular, or advertisement representing or indicating that it is authorized to transact any business which a savings bank, safe deposit *company*, or trust company usually does and which does not attempt to do any such business; and which uses the word "trust" in its name in combination with other words in such a manner that it is apparent that the company is not either a savings bank, safe deposit *company*, or trust company, and does not attempt to do any of the business which a savings bank, safe deposit *company*, or trust company usually does, shall not be prohibited from so using such word "trust" in its name.

*Subd. 3.* Every individual, partnership, *unincorporated association*, or corporation which shall violate any of the provisions of this section shall forfeit to the state the sum of not to exceed \$100 for each day the violation shall continue, to be recovered in a civil action to be brought by the attorney general in the name of the state at the request of the commissioner of banks, and may be enjoined from any further violation in an action brought in the name of the state for that purpose.

**Sec. 3. Repeal.** Minnesota Statutes 1941, Sections 47.04 and 47.05, are hereby repealed.

Approved March 23, 1945.