

for the condemnation of any land for a state aid or county aid road, or for material for the construction or improvement thereof, take possession of such land.

Approved April 12, 1947.

CHAPTER 313—H. F. No. 1229

An act relating to the deposit of assets by certain investment companies with the State Treasurer; amending Minnesota Statutes 1945, Section 59.11, Subdivision 1, and Section 59.17.

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

Section 1. Minnesota Statutes 1945, Section 59.11, Subdivision 1, is amended to read as follows:

59.11. **Deposit of mortgages; trust deeds.** Subdivision 1. A mortgage, trust deed or other similar security instrument shall be deposited with the treasurer, for the purposes of section 59.03, by delivery of the same to the treasurer, except as otherwise provided in this section, together with the following instruments:

(1) Any note or *other instrument evidencing the obligation*, secured thereby, endorsed substantially as follows: "The within instrument is hereby assigned to the Treasurer of the State of Minnesota, his successors or assigns under and pursuant to the provisions of Laws 1943, Chapter 591."

If the mortgage, trust deed or other similar security instrument is a second lien and the entire amount of the loan secured thereby is guaranteed under the provisions of the "Servicemen's Readjustment Act of 1944", enacted by the Congress of the United States, as heretofore or hereafter amended, and the regulations applicable thereto, the note or other instrument evidencing the obligation, secured thereby, shall be either endorsed by the Administrator of Veterans' Affairs evidencing such guaranty of the loan or be accompanied by a certificate of guaranty as provided by said act or said regulations, and there shall be furnished therewith, unless the same is then on file, evidence that the first mortgage, trust deed or other security instrument deposited therewith or then being maintained on deposit, is insured under the provisions of that certain act of the Congress of the United

States, known as the "National Housing Act", and the regulations applicable thereto, by an endorsement upon the note or other instrument evidencing the obligation, secured thereby.

(2) An assignment of the mortgage, trust deed or other similar security instrument in blank.

(3) An attorney's opinion as to title *stating, or a certificate or policy issued by a title insurance company insuring or a mortgagee's duplicate of the Torrens title certificate showing, as of the date thereof, such mortgage, trust deed or other security instrument to be a first lien upon the real estate described therein or a second lien subject only to a specified mortgage, trust deed or other similar security instrument.*

(4) Whenever the delivery of any security instrument to the treasurer is required by the foregoing provisions of this section and such instrument is on file pursuant to or is required to be filed with a public officer by the statutes of any state, a copy of such instrument, duly certified by the officer with whom the original is filed to be a true copy thereof, may be delivered in lieu of such original instrument.

Provided, that whenever the company is making a loan for the improvement of real estate which loan is to be secured by a mortgage, trust deed, or other similar security instrument, and the moneys to be loaned and a duly executed mortgage, trust deed, or other similar security instrument have been deposited in escrow with a bank, or trust company, under state or federal supervision and regulation, the moneys to be disbursed by such bank or trust company as the work progresses, the moneys remaining from time to time in possession of such bank or trust company, and the mortgage, trust deed, or other similar security instrument shall be deemed deposited with the treasurer for the purposes of section 59.03, upon the delivery to him of an assignment of said moneys and of said mortgage, trust deed, or other similar security instrument, subject to the escrow agreement, together with a receipt of the bank or trust company duly acknowledging that it has such moneys and the mortgage, trust deed, or other similar security instrument in its possession, without the delivery of the moneys and the mortgage, trust deed, or other similar security instrument to the treasurer. Any mortgage, trust deed, or other similar security instrument securing moneys loaned or to be loaned for the improvement of real estate, where such moneys are to be disbursed as the work progresses, if duly recorded or deposited in escrow, shall be deemed deposited with the treasurer for the purposes

of section 59.03 upon delivery to him of an assignment thereof, without delivery of such mortgage, trust deed, or security instrument or other accompanying instruments specified in this section. Upon the consummation of any such loan, the mortgage, trust deed, or other similar security instrument, duly recorded, and the other accompanying instruments specified in this section, shall be delivered to the treasurer subject to the provisions of the following proviso. Such mortgage, trust deed or other similar security instrument shall be valued from time to time pending the consummation of the loan at the then amount of money dispersed on said loan, as shown by statements to be filed with the treasurer from time to time by an executive officer of the company or some employee of the company, designated by the company in writing filed with the treasurer; and

Provided, further, that any mortgage, trust deed, or other similar security instrument filed or to be filed for record but not yet returned *and/or* in respect of which it is proposed to procure a certificate or policy issued by a title insurance company *and/or* insurance pursuant to the Federal Housing Act, shall be deemed deposited with the treasurer for the purposes of section 59.03 upon delivering to him an assignment thereof, together with such of the accompanying papers specified in this section as are then available for delivery, without the delivery of such mortgage, trust deed, or other similar security instrument. Upon the completion of such recordation and return of the instrument *and/or* the procurement of such certificate or policy or the effecting of such insurance, such mortgage, trust deed, or other similar security instrument shall be forthwith delivered to the treasurer, together with such other withheld instruments. Upon the failure to make delivery of such mortgage, trust deed, or other similar security instrument *and/or* title certificate or policy withheld within 120 days after the assignment of said asset, or in respect of a construction loan as specified in the first proviso, after the consummation of such loan, the same shall be withdrawn.

If any security instrument or accompanying instrument is withheld from delivery to the treasurer as provided in this section, the company shall furnish the treasurer with a statement, stating the reason for the non-delivery thereof, and if forwarded for recording, with a receipt of the recording officer or a statement as to why such receipt cannot be so furnished.

Sec. 2. Minnesota Statutes 1945, Section 59.17, is amended to read as follows:

59.17. Insurance on mortgaged properties maintained. The company shall at all times maintain or cause to be maintained insurance upon all buildings and such other improvements as are customarily insured, upon real estate covered only by a first mortgage, trust deed, or other similar security instrument, maintained with the treasurer, or upon real estate covered by a first mortgage, trust deed or other security instrument, securing an obligation guaranteed or insured under the provisions of the act of the Congress of the United States known as the "National Housing Act", as heretofore or hereafter amended, and a second mortgage, trust deed or other similar security instrument, securing a loan the entire amount of which loan is guaranteed under the provisions of the "Servicemen's Readjustment Act of 1944", as heretofore or hereafter amended, maintained with the treasurer, insuring such buildings and improvements against destruction or damage from fire, by policy in usual form, and from such other hazards as the company has required, for at least the amount of the unpaid balance of the principal such loan or loans, as the case may be, or the amount of the full insurable value of such buildings and improvements, whichever is the lesser, with the loss made payable to the company and/or its assigns as their interest may appear, subject to, but without obligation to so provide, the right of the insured, insurer, or of the company to restore or repair the loss or damage and to use the proceeds for such purpose. No such second mortgage, trust deed or other similar security instrument shall be deposited or maintained with the treasurer unless such first mortgage, trust deed or other similar security instrument is maintained with him. The term "full insurable value", as used in this section, shall mean the value as shown by an appraisal made in connection with the origination or the acquisition of the loan or, in lieu thereof, if a subsequent appraisal or appraisals of such buildings and improvements is made for the purpose of fixing the insurable value thereof by or for the company or by an insurance company, then the amount of the last such appraisal. When the amount of the insurance furnished is less than the unpaid principal balance of the loan or loans, as the case may be, the policy or policies or the certificate or certificates of the insurer as hereafter in this section provided, when delivered to the treasurer shall be accompanied by a certificate of an officer of the company, or of an employee thereof, duly authorized in writing to make such certificate, filed with the treasurer, certifying that the

amount of such insurance is not less than the full insurable value of the buildings and improvements as disclosed by the applicable appraisal, or, in lieu of such certificate, be accompanied by such appraisal, or a copy thereof, showing the full insurable value to be not more than the amount of such insurance. The company shall adjust with the insurer any loss or damage arising in respect of such insurance. The company shall deposit the *policy* or policies with the treasurer or file with him a certificate of the insurer showing the amount of such insurance, the hazards insured against, and the expiration *date* or dates of the policies.

Approved April 12, 1947.

CHAPTER 314—S. F. No. 756

An act regulating the charges which may be made by banks, trust companies or national banks for certain installment loans, amending Minnesota Statutes 1945, Section 48.153.

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

Section 1. Minnesota Statutes 1945, Section 48.153, is amended to read as follows :

48.153. Banks; instalment loans; interest in advance. Any bank or trust company organized under the laws of this state, or any national banking association doing business in the state, making any loan of money not exceeding \$1,500 repayable in installments, may make a charge for such loan computed at a rate not exceeding six percent per annum upon the total amount of the loan from the date thereof until the stated maturity date of the final installment thereof, *which shall not exceed three years 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 or by a deposit account opened concurrently with the making of the loan and assigned as collateral security therefor, which deposit account may evidence deposits made or required to be made periodically, with or without interest, throughout the term of said loan. If the charge so computed shall be less than \$3.00, the amount so charged may nevertheless be \$3.00. Any charge authorized by sections 48.153 to 48.157 may be deducted in advance from the proceeds of such loan or may be included in the principal