

48.67 BANKS, TRUST COMPANIES

ital of the consolidated trust company shall be considered as substituted for the capital of the several trust companies entering into the consolidation, and the aggregate of the securities of these trust companies on deposit with the state treasurer, pursuant to the provisions of this section, shall be increased or diminished accordingly; provided, that any company may hereafter be organized, with its principal place of business at any place within the state, with a capital of not less than \$10,000, to be paid in cash, of which 50 per cent shall be invested in authorized securities and deposited with the state treasurer, as provided in this section. The powers and business of the company so organized shall be to act as assignee under any assignment for the benefit of creditors, or be appointed and act as a trustee or receiver, as a guardian, as executor of any will, or administrator of any estate, and the company so organized may accept and perform any other lawful trust over which any court, either state or federal, has jurisdiction. This company, before entering upon the duties of its trust, shall give a corporate surety bond in such sum as the court directs, with sufficient surety, conditioned for the faithful performance of its duties. The business of any company so organized shall be limited to the above matters; provided, that the company so organized with a capital stock of \$10,000 shall not use the word "trust" in the title or name of the company.

[1973 c 438 s 1; 1973 c 497 s 1]

CHAPTER 50. SAVINGS BANKS

Sec.		Sec.	
50.14	Authorized securities.	50.162	Prepayment; refund; limitation [New].
50.148	Authorized investments; mobile home loans [New].	50.163	Allowable additional charges [New].
50.157	Limited trusteeship [New].	50.164	Loan due on default [New].
50.161	Installment loans; interest in advance [New].	50.165	Copy of note to borrower [New].

50.14 Authorized securities

[For text of subds. 1 to 4, see M.S.1971]

Subd. 5. Class four shall be (a) notes or bonds secured by mortgages or trust deed on unencumbered real estate, whether in fee or in a leasehold of a duration not less than ten years beyond the maturity of the loan, in any state of the United States, worth at least twice the amount loaned thereon.

(b) Notes or bonds secured by mortgages or trust deed on unencumbered real estate in clause (a) where such notes or bonds do not exceed 80 per cent of the appraised value of the security for the same, provided that such notes or bonds are payable in instalments aggregating not less than five per cent of the original principal per annum in addition to the interest; or, are payable on a regular amortization basis in equal instalments, including principal and interest, such instalments to be payable monthly in such amounts that the debt will be fully paid in not to exceed 30 years if the security is non-agricultural real estate, and such instalments to be payable annually or semi-annually in such amounts that the debt will be fully paid in not to exceed 25 years if the security is agricultural real estate. A construction loan shall be deemed amortized as required by this clause if the first instalment thereon shall be payable not later than 18 months after the date of the first advance in the case of residential construction or not later than 36 months after the date of the first advance in the case of nonresidential construction.

(c) Such investments shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

(d) Notwithstanding anything to the contrary in clause (b), a mutual savings bank organized under the laws of this state may invest in notes or bonds secured by mortgages or trust deed where such notes or bonds do not exceed

95 percent of the appraised value of the security for the same. Except as modified herein, the other provisions of clause (b) shall apply.

(e) For purposes of this subdivision, real estate shall be deemed unencumbered if the only existing mortgage or lien against the real estate is a first mortgage lien in favor of the savings bank making a second mortgage loan.

[1973 c 426 s 1]

*[For text of subds. 6 and 7, see M.S.1971]*

Subd. 8. Class seven shall be farm loan bonds issued by any federal land bank, or by a joint stock land bank in the Federal Reserve district in which Minnesota is situated, in accordance with the provisions of an act of Congress of the United States of July 17, 1916, known and designated as "The Federal Farm Loan Act," and acts amendatory thereto; bonds and obligations of the Federal Home Loan Banks established by Act of Congress known as the Federal Home Loan Bank Act approved July 22, 1932, and acts amendatory thereto; and bonds issued by the federal land banks, federal intermediate credit banks, and the banks for cooperatives in accordance with the provisions of an act of Congress of the United States known as the Farm Credit Act of 1971, and acts amendatory thereto.

[1973 c 497 s 2]

*[For text of subds. 9 to 15, see M.S.1971]*

#### **50.148 Authorized investments; mobile home loans**

In addition to other investments authorized by law, a savings bank organized and operated pursuant to this chapter, may make loans upon the security of mobile homes, and any equipment installed or to be installed therein, in an amount not exceeding \$10,000 repayable in installments, and 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 12 years and 32 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. If the charge so computed shall be less than \$5, the amount so charged may nevertheless be \$5. Any charge authorized by this section 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 authority granted by this section shall not extend to either the purchase of or investment in installment sales contracts secured by or constituting first liens upon mobile homes nor to loans which finance the acquisition of inventory by a mobile home dealer. The provisions of sections 48.154 to 48.157, shall apply to all mobile home loans made pursuant to the authority granted by this section.

[1973 c 426 s 2]

#### **50.157 Limited trusteeship**

A savings bank shall have the power to act as trustee or custodian within the contemplation of the federal self-employed individuals tax retirement act of 1962, as amended. The trustee or custodian may accept such trust funds provided such funds are invested only in savings accounts or deposits in such bank or in obligations or securities issued by such bank. All funds held in such fiduciary capacity may be commingled for appropriate purposes of investment, but individual records shall be maintained by the fiduciary for each participant and shall show in proper detail all transactions engaged in under authority of this section.

[1973 c 426 s 3]

**50.161 SAVINGS BANKS**

**50.161 Installment loans; Interest in advance**

Any savings bank organized and operated pursuant to chapter 50 may make a consumer loan to any natural person in an amount not exceeding \$5,000 repayable in installments, and 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 five years and 32 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 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 \$5, the amount so charged may nevertheless be \$5. Any charge authorized by sections 50.161 to 50.165 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.

[1973 c 126 s 1]

**50.162 Prepayment; refund; limitation**

The borrower may repay the entire balance of such a loan at any time, and upon such prepayment the borrower shall be entitled to a refund, computed at the rate at which the original charge was computed, upon the amount so prepaid from the date of such prepayment to the stated maturity date of the final installment; provided, that in any event the lender may retain at least \$5 of the original charge.

[1973 c 126 s 2]

**50.163 Allowable additional charges**

No charge other than those provided for in sections 50.161 and 50.162 shall be made directly or indirectly for any such loan except that there may be charged to the borrower:

(a) In case of default, to collect a delinquency and collection charge on each installment in arrears for a period of not less than ten days in an amount not in excess of five percent of the unpaid amount of each installment or \$5, whichever is less. A delinquency charge may be collected only once on an installment however long it remains in default. No delinquency charge may be collected on an installment which is paid in full within 10 days after its scheduled installment due date even though an earlier maturing installment or a delinquency charge on an earlier installment may not have been paid in full. For purposes of this paragraph payments are applied first to current installments and then to delinquent installments;

(b) Any lawful fees paid or to be paid by the lender for any abstract or to any public officer for filing, recording, or releasing in any public office or for acknowledging any instrument securing the loan;

(c) Any lawful premium or charge for insurance protecting the lender against the risk of loss from not filing or recording a security agreement or financing statement and in lieu of filing thereof. Such premium or charge shall not exceed the actual premium or charge made by the insurance company to the lender and in no event in excess of the costs if the document were actually filed, recorded, or released in any public office;

(d) The premium on any life, property or other insurance taken as security for the loan; provided, that the borrower may himself, at his own cost, procure and deposit with the lender any such insurance if written by a responsible company. Such premium may be included as part of the loan.

[1973 c 126 s 3]

**50.164 Loan due on default**

Nothing in sections 50.161 to 50.165 shall prohibit the lender from declaring the whole of such loan immediately due and payable upon default if the loan agreement shall so provide.

[1973 c 126 s 4]

**50.165 Copy of note to borrower**

At the time of making an installment loan under the provisions of sections 50.161 to 50.165, the borrower shall be furnished a copy of the note that he signed and also a copy or statement of all charges made by the bank on such loan.

[1973 c 126 s 5]

**CHAPTER 51A. SAVINGS ASSOCIATION ACT**

Sec.  
51A.51 Fees.

**51a.51 Fees**

[For text of subd. 1, see M.S.1971]

**Subd. 2. Incorporation fee.** At the time of filing the application for a certificate of incorporation, the incorporators shall pay a filing fee of \$1,000 which shall be paid into the state treasury and credited to the general fund, and shall pay to the banking department the sum of \$500 as a fee for investigating the application.

[1973 c 35 s 19]

[For text of subds. 3 to 5, see M.S.1971]

**CHAPTER 52. CREDIT UNIONS**

Sec.		Sec.	
52.04	Powers.	52.17	Reserve fund.
52.05	Membership.	52.18	Dividends.
52.06	Supervision; reports; audits; fees.		

**52.04 Powers**

A credit union shall have the following powers:

(1) To receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other such thrift organizations within its membership;

(2) To make loans to members for provident or productive purposes as provided in section 52.16;

(3) To make loans to a cooperative society or other organization having membership in the credit union;

(4) To deposit in state and national banks and trust companies authorized to receive deposits;

(5) To invest in any investment legal for savings banks or for trust funds in the state;

(6) To borrow money as hereinafter indicated;

(7) To adopt and use a common seal and alter the same at pleasure; and

(8) To make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal credit union act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets providing that payments on shares of and deposit with credit unions chartered by other states shall be restricted to credit unions insured by the National Credit Union Administration;

(9) To contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;