

# MINNESOTA STATUTES 1975 SUPPLEMENT

## LIQUIDATION, REORGANIZATION 49.01

by federal deposit insurance. Funds held in the fiduciary capacity may be commingled for purposes of investment, but individual records shall be maintained by the fiduciary for each participant and show in detail all transactions engaged in under authority of this section. In passing upon applications, the commissioner shall take into consideration the investment policies, amount, type, and adequacy of reserves, fidelity bonds, and legally required deposits of the applicant, and other pertinent facts and circumstances, and may grant or refuse the application accordingly.

[1975 c 366 s 1]

### 48.19 Loans on real estate restricted.

**Subdivision 1. Restrictions; exception.** No bank or trust company shall make any loan upon the security of real estate unless it is a first lien thereon, except that a bank or trust company may take a junior lien upon real estate to secure a loan previously contracted. Before any such loans are made the value of the real estate shall be determined by an appraisal made by a committee appointed by the board of directors, which appraisal shall be made a matter of record; except that the board may accept an appraisal made by or for an agency of the United States government when such agency is guaranteeing or insuring the loan or any part thereof.

A bank may take additional liens on the same security and these shall be considered to be part of the same mortgage lien thereon providing it has been established that there are no intervening liens.

Loans in which the small business administration cooperates through agreements to participate on an immediate or deferred basis under the federal small business act or loans or obligations secured or guaranteed by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States, shall not be subject to the restrictions or limitations of this section imposed upon loans secured by real estate.

[For text of subd 2, see M.S.1974]

### Subd. 3. [Repealed, 1975 c 398 s 3]

Subd. 4. Loans made to a borrower shall not be considered to be loans upon the security of real estate within the meaning of subdivision 1 if the bank takes, as a precaution against contingencies, a mortgage, deed, or trust or other instrument upon real estate located in this state, in the form of a second lien, and if:

(a) the bank looks for repayment by relying primarily on the borrower's general credit standing and forecast of income supported by the borrower's signed financial statement, with or without other security or;

(b) the bank relies primarily on other security as collateral for loan, provided that if the other security is composed in whole or in part of the guarantee of a third party, that guarantee shall be supported by a signed financial statement of the guarantor. Except for home improvement loans this subdivision applies only to non-automobile loans in a principal amount of \$3,000 or more. Separate loans may not be aggregated to attain the \$3,000 level.

[1975 c 398 s 1,2]

## CHAPTER 49. LIQUIDATION, REORGANIZATION, CONSOLIDATION

Sec.

49.01 Definitions.

49.01 Definitions.

# MINNESOTA STATUTES 1975 SUPPLEMENT

## 49.01 LIQUIDATION, REORGANIZATION

[For text of subd 1, see M.S.1974]

Subd. 2. "Financial institution" means and includes a bank, a savings bank, a trust company, a savings, building and loan association, a credit union, and an industrial loan and thrift company.

[1975 c 166 s 7]

[For text of subds 3 to 6, see M.S.1974]

## CHAPTER 52. CREDIT UNIONS

Sec.  
52.01 Organization.  
52.04 Powers.

Sec.  
52.061 Credit union advisory council.  
52.17 Reserve fund.

### 52.01 Organization.

Any seven residents of the state may apply to the commissioner of banks for permission to organize a credit union.

A credit union is a cooperative society, incorporated for the two-fold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes.

A credit union is organized in the following manner:

(1) The applicants execute, in duplicate, a certificate of organization by the terms of which they agree to be bound, which shall state:

(a) The name and location of the proposed credit union;

(b) The names and addresses of the subscribers to the certificate and the number of shares subscribed by each;

(c) The par value of the shares of the credit union, which shall not exceed \$10 each;

(2) They next prepare and adopt bylaws for the general governance of the credit union consistent with the provisions of this chapter, and execute the same in duplicate;

(3) The certificate and the bylaws, both executed in duplicate, are forwarded to the commissioner of banks; and there shall be paid to the commissioner an application fee of \$100;

(4) The commissioner of banks shall, within 60 days of the receipt of the certificate and the bylaws, determine whether they comply with the provisions of this chapter, and whether or not the organization of the credit union in question would benefit the members of it and be consistent with the purposes of this chapter;

(5) Thereupon the commissioner of banks shall notify the applicants of his decision; if it is favorable, he shall issue a certificate of approval, attached to the duplicate certificate of organization, and return the same, together with the duplicate bylaws, to the applicants; if it is unfavorable, the applicants may, within 60 days after said decision, have the right to appeal for a review in a court of competent jurisdiction;

(6) The applicants shall thereupon file the duplicate of the certificate of organization, with the certificate of approval attached thereto, with the register of deeds of the county within which the credit union is to do business, who shall make a record of the certificate and return it, with his certificate of record attached thereto, to the commissioner of banks, for permanent records; and

(7) Thereupon the applicants shall become and be a credit union, incorporated in accordance with the provisions of this chapter.

In order to simplify the organization of credit unions, the commissioner