

48.67 BANKS, TRUST COMPANIES

transferred to and deposited with the state treasurer. The state treasurer shall submit the securities deposited to the commissioner, who shall carefully examine the securities offered for deposit and ascertain that they comply with all the provisions of law applicable thereto. Upon receipt of an order of the commissioner, the state treasurer shall issue his receipt therefor. This deposit shall be maintained unimpaired as a guaranty fund for depositors and creditors and for the faithful discharge of its duties, with the right to collect the income thereof and to substitute other like authorized securities, of equal amount and value, upon approval and order of the commissioner.

If the securities comply with the law, the commissioner shall issue his certificate of authorization for the trust company to commence business.

The capital stock of any trust company may be reduced with the approval of the commissioner, but not below the minimum amounts aforesaid, and no assets shall be returned to the stockholders unless its deposits of authorized securities after such return equal one-fourth of the reduced capital, in no event less than \$125,000; nor shall the liability of any stockholder upon any existing contract be affected thereby.

When two or more trust companies have been or shall hereafter be consolidated under and pursuant to the provisions of sections 49.34 to 49.41, the capital 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 percent 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.

[1977 c 272 s 12]

48.69 Certain trust companies may assume powers of state banks.

Any trust company organized under the laws of this state, and having a capital of not less than \$500,000, may exercise the powers and privileges conferred by sections 48.69 to 48.73, in addition to all other powers granted by law, upon complying with the conditions and requirements specified in sections 48.69 to 48.73.

[1977 c 272 s 13]

CHAPTER 50. SAVINGS BANKS

Sec.		Sec.	
50.14	Authorized securities.	50.157	Limited trusteeship.
50.148	Authorized investments; mobile home loans.	50.175	Negotiable order of withdrawal account. [New]

50.14 Authorized securities.

[For text of subds 1 to 4, see M.S.1976]

Subd. 5. (1) Class four shall be:

(a) Notes or bonds secured by mortgages or trust deeds on unencumbered

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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 (1) (a) where such notes or bonds do not exceed 80 percent 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 percent 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; and

(c) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) which are in an original principal amount of \$100,000 or more and which do not exceed 95 percent of the appraised value of the security for the same which may be payable in such manner as the trustees of the bank shall prescribe, provided that construction loans made by a savings bank pursuant to this clause (1) (c) shall not exceed in the aggregate five percent of the assets of the savings bank.

(2) Class four 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.

(3) Notwithstanding anything to the contrary in clause (1) (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 (1) (b) shall apply.

(4) 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.

[For text of subds 6 to 17, see M.S.1976]

[1977 c 5 s 1]

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 \$25,000 repayable in installments, and may make a charge for such loan computed at a rate not exceeding 12 percent per annum upon the unpaid principal balance of the amount financed, the installment payments 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. 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. The authority granted by this section shall not extend to loans which finance the acquisition of inventory by a mobile home dealer. A savings bank may purchase or invest in notes, bonds and retail installment sales contracts secured by or constituting first liens upon mobile homes.

[1977 c 5 s 2]

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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, and also within the contemplation of the employee retirement income security act of 1974, 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.

[1977 c 5 s 3]

50.175 Negotiable order of withdrawal account.

Any savings bank organized and operating pursuant to this chapter, may establish negotiable order of withdrawal accounts on which it may or may not pay interest or dividends. Withdrawals from the accounts are subject to the right of the savings bank to require the depositor or account holder to give notice of an intended withdrawal not less than 30 days before the withdrawal is made, even though in practice the notice is not regularly required and the depositor or account holder is allowed to make withdrawals by negotiable or transferable instruments for the purpose of making payments to third persons or otherwise.

A savings bank shall always keep a reserve of at least seven percent of its noninterest or nondividend bearing negotiable order of withdrawal accounts, which shall be in cash, cash items in process of collection, balances due on demand from solvent banks in the United States, and not more than 30 percent in direct obligations of the United States Treasury which mature within one year from the date the obligations are first considered as a part of the bank's reserve. If on any one day a savings bank shall fail to meet the reserve requirements of this section then that bank shall pay a fine of \$50 per day to the commissioner of banks on his making a request for payment. Whenever the commissioner of banks shall determine that the maintenance of sound banking practices or the prevention of injurious credit expansion or contraction makes action advisable, he may by directive change the requirements as to reserves against noninterest or nondividend bearing negotiable order of withdrawal accounts in savings banks. The reserve requirements established in any such directive shall not be less than seven percent, nor more than those required of member banks of the Federal Reserve System on the date that the directive is issued by the commissioner unless these reserve requirements are less than seven percent.

[1977 c 104 s 1]

CHAPTER 52. CREDIT UNIONS

Sec.
52.04 Powers.

Sec.
52.203 Merger.

52.04 Powers.

Subdivision 1. 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;