

MINNESOTA STATUTES 1977 SUPPLEMENT

52.04 CREDIT UNIONS

ter, and such other rights, privileges and powers as may be incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union; and

(16) To rent safe deposit boxes to its members provided the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes.

Subd. 2. The commissioner of banks may by rule authorize a state chartered credit union to engage in any activity in which the credit union could engage were it operating as a federally chartered credit union provided that the activity is not expressly prohibited by the laws of this state and was permitted by law or rule as of June 1, 1977.

[1977 c 71 s 1; 1977 c 84 s 1; 1977 c 315 s 1]

52.203 Merger.

Any credit union chartered by this state may merge with and be absorbed by any other state or federal credit union, and any credit union chartered by this or any other state or any federal credit union may be merged into a successor credit union chartered by this state, upon approval of all regulatory agencies concerned, and upon compliance with this section as regards the credit union chartered by this state.

A credit union may be absorbed after two-thirds of its members present and entitled to vote shall have voted in favor of the merger at a special meeting called by a majority of the board of directors for that purpose, upon fourteen days mailed written notice to each member at his last known address clearly stating the purpose of the special meeting, or at any regular meeting after like notice of the purpose has been given. Thereafter, the board of directors shall have authority to execute an agreement of merger with the successor credit union, subject to approval of such agreement by the commissioner of banks. The commissioner shall approve or disapprove of said agreement within 60 days of the date the agreement is submitted to him. Such approved agreement shall be filed with the county recorder in the county where such credit union is located.

If the successor credit union which absorbs one or more credit unions is chartered by this state it shall have authority to execute an agreement of merger upon approval of such agreement by the commissioner of banks and by the board of directors of the credit union. The commissioner of banks shall approve the merger agreement if it is in the best interest of the credit unions involved. In any event, the commissioner of banks shall approve or disapprove of the merger agreement within 60 days of the date the agreement is submitted to him. Members of and persons eligible for membership in the credit union being absorbed shall have all rights of membership in the successor credit union.

The charter and license and all other rights and property of the credit union being absorbed shall be deemed to be transferred to and invested in the successor credit union upon such execution and approval of the merger agreement without further action. Any pending action or other judicial proceeding to which the credit union being absorbed is a party at the date of merger shall not abate by reason of the merger. If the credit union being absorbed is chartered by this state, its corporate existence shall cease upon such execution and approval of the merger agreement without further action.

[1977 c 16 s 1]

CHAPTER 53. INDUSTRIAL LOAN AND THRIFT COMPANIES

Sec.
53.03 Certificate.

Sec.
53.051 Insurance in connection with loans.

53.03 Certificate.

Subdivision 1. **Application, fee, notice.** Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, cause an application, in writing, to be made to

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the department of commerce for a certificate of authorization. The application, in triplicate, shall be in the form prescribed by the department of commerce and filed in its office. The application shall be made in the name of the corporation, executed and acknowledged by two of its officers designated by the board of directors of the corporation for that purpose, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a filing fee of \$500, to be paid into the state treasury and credited to the general fund and also shall pay to the commissioner of banks the sum of \$250 as a fee for investigating the application, which fee shall be turned over by him to the state treasurer and credited to the general fund of the state, and submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto. A notice of the filing of the application shall be published once in the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be no such newspaper, in a newspaper published at the county seat of the county in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing shall be conducted on the application. The commerce commission may without cause order a contested case hearing on the application. Notice of a hearing in connection with this section shall be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Subd. 2. Department of commerce; duties. Upon receiving an application the department of commerce shall make, or cause to be made, an examination to ascertain whether the assets of such corporation, over and above all its liabilities, have an actual value of not less than the par value of all of its capital represented by shares of common stock, which shall not be less than the amount prescribed by section 53.02. If upon its investigation or hearing provided for in subdivision 1 those facts appear and it further appears that the bylaws and articles of incorporation and amendments thereto are in accordance with law; that the shareholders of the corporation are of good moral character and financial integrity; that there is a reasonable public demand for that company in the location specified in the application, and that the probable volume of business in that location is sufficient to insure and maintain the solvency of such company and the solvency of any then existing industrial loan and thrift companies or banks in that locality, without endangering the safety of any such company or bank in the locality as a place for investing or depositing public and private money, and that the proposed company will be properly and safely managed, the application shall be granted; otherwise it shall be denied.

[For text of subd 2a, see M.S.1976]

Subd. 3. [Repealed, 1977 c 346 s 14]

NOTE: Subdivision 3 was also amended by Laws 1977, Chapter 346, Section 7, to read as follows:

"Subd. 3. **Grant or denial; certificate.** If the application be granted without hearing the department of commerce shall, not later than 60 days after the notice of application has been fully published, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied without hearing the department of commerce shall, not later than 60 days after the notice of application has been fully published, notify the corporation of the denial and the reasons for the denial. The applicant may request within 30 days of receiving the notice of denial, and shall be granted, a contested case hearing on the application which shall then be conducted as if no order of denial had been issued. If the commission approves the application after a hearing the commission shall, not later than 30 days after a hearing, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied after a hearing the commission shall, not later than 30 days after a hearing, notify the corporation of the denial."

[For text of subds 4 and 5, see M.S.1976]

[1977 c 346 s 5-7]

53.051 INDUSTRIAL LOAN AND THRIFT COMPANIES

53.051 Insurance in connection with loans.

Any policy or certificate of insurance procured by a licensee in connection with any loan or transaction subject to this chapter, for which the premium has been paid by the obligor or obligors out of the proceeds of the loan or transaction, shall contain the amount and description of the coverage, all of the terms and conditions, the period of time for which it is written, the premium therefor, and shall be delivered to the obligor or obligors within a reasonable time. Any policy or certificate providing credit life insurance or credit accident and health benefits shall be written in a manner consistent with chapter 62B and rules promulgated thereunder.

A policy or certificate for credit accident and health insurance shall disclose whether or not the benefits shall commence as of the first day of disability and shall further disclose the number of days that an insured obligor must be disabled, as defined in the policy, before benefits, whether retroactive or nonretroactive, shall commence.

In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit accident and health benefits shall be procured by or through a licensee upon more than one of such obligors. In case there are multiple obligors under a transaction subject to this chapter no policy or certificate of insurance providing credit life insurance shall be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly.

No licensee shall decline to accept a policy of insurance furnished by the borrower from another source.

[1977 c 382 s 1]

CHAPTER 55. SAFE DEPOSIT COMPANIES

Sec.		Sec.	
55.06	Business not to be conducted without license.	55.095	Duties of commissioner of banks.
		55.14	Repealed.

55.06 Business not to be conducted without license.

Subdivision 1. No person except a bank, a savings bank, a credit union, or a trust company may let out or rent as lessor, for hire, safe deposit boxes or take or receive valuable personal property for safe-keeping and storage, as bailee, for hire, without procuring a license and giving a bond, as required by this chapter, except as otherwise authorized by law so to do.

[For text of subd 2, see M.S.1976]

[1977 c 84 s 2]

55.095 Duties of commissioner of banks.

Every safe deposit company shall be at all times under the supervision and subject to the control of the commissioner of banks. He shall, through his examiners, visit at least once each year each safe deposit company licensed by him to ascertain whether such safe deposit company is complying with the provisions of this chapter and whether its methods and systems are in accordance with law and designed to protect the property of persons doing business with it. For each examination he shall charge the actual expenses of examination not to exceed \$25. If the commissioner of banks determines that the safe deposit company is violating the provisions of this chapter, or any law of the state, he may serve notice on the safe deposit company of his intention to revoke the license, stating in general the grounds therefor and giving reasonable opportunity to be heard. If for a period of 15 days after such notice, said violation continues, the commissioner of banks may revoke said license and take possession of the business and property of such safe deposit company and maintain possession until such time as he shall permit it to continue business, or its affairs are finally liquidated.

[1977 c 347 s 14]

55.14 [Repealed, 1977 c 137 s 13]