

CHAPTER 47

FINANCIAL CORPORATIONS

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47.015 CLOSING ON CERTAIN DAYS.

Subdivision 1. **Financial institutions.** As used in this section the term "financial institution" shall include banks, trust companies, banks and trust companies, mutual savings banks, industrial loan and thrift companies having outstanding certificates of indebtedness for investment other than those pledged as security for a loan made contemporaneous therewith, savings and loan associations, building and loan associations, national banking associations, federal reserve banks and federal savings and loan associations doing business in this state, and includes any branch or detached facility of any of them.

[For text of subds 2 and 3, see M.S.1984]

History: 1Sp1985 c 13 s 178

47.0151 EMERGENCY SUSPENSION OF BUSINESS, DEFINITIONS.

[For text of subds 1 and 2, see M.S.1984]

Subd. 3. "Financial institution" includes a bank, a savings bank, a trust company, any branch or agency of a foreign banking organization, a person or association of persons lawfully carrying on the business of banking, a savings and loan association, and, so far as the provisions of sections 47.0151 to 47.0155 are consistent with federal law, national banks and federal savings and loan associations, and includes any branch or detached facility of any of them.

[For text of subds 4 to 6, see M.S.1984]

History: 1Sp1985 c 13 s 179

47.0152 POWER OF COMMISSIONER.

Whenever the commissioner is of the opinion that an emergency exists, or is impending, in the state or in a part of it, he may, by proclamation, authorize financial institutions located in the affected area to close any or all of their offices. In addition, if the commissioner is of the opinion that an emergency exists, or is impending, which affects, or may affect, a particular financial institution or a particular office of it, but not financial institutions located in the area generally, he may authorize the particular financial institution or office affected, to close or to temporarily relocate. The office closed shall remain closed until the commissioner proclaims that the emergency has ended, or until an earlier time when the officers of the financial institution determine that an office, closed because of the emergency, should reopen, and, in either event, for the further time reasonably necessary to

reopen. The provisions of section 47.101 shall be waived for a temporary location established due to an emergency.

History: *1Sp1985 c 13 s 180*

47.0156 CLOSING EFFECTING A PERMANENT CESSATION OF BUSINESS.

The permanent closing of a financial institution as defined in section 47.015 or 47.0151 for purposes, or with a result, other than authorized in sections 47.015 to 47.0155 is unlawful unless at least 60 days' written notice is given to the commissioner.

History: *1Sp1985 c 13 s 181*

47.101 PLACE OF BUSINESS; RELOCATION, DISPOSAL.

[For text of subd 1, see M.S.1984]

Subd. 2. Banking institutions; certain relocations, applications, notice, approval. A banking institution defined in section 48.01, subdivision 2, desiring to relocate its main office within a radius of three miles measured in a straight line shall submit an application in a form prescribed by the commissioner of commerce, an investigation fee of \$500 and additional fees as prescribed in section 46.041 if subsequently processed under subdivision 3. After the application is deemed to be complete and accepted by the commissioner of commerce, the applicant shall publish once in a form prescribed by the commissioner a notice of the filing of the application in a newspaper published in the municipalities where the banking institution is located and relocating if different. If there is no such paper, then notice of the filing shall be published at the appropriate county seats of the existing and proposed sites if different. The applicant shall cause the notice to be publicly displayed in its lobby and sent by certified mail to all banking institutions within three miles of the proposed location measured in a straight line. Upon expiration of a period of 21 days for comment, the commissioner, after considering the applicable conditions for issuance of the bank charter defined in section 46.044, shall within 60 days approve or disapprove the application.

Subd. 3. Applications to department of commerce. An application by a banking institution to relocate its main office outside a radius of three miles measured in a straight line, or referred from the commissioner of commerce pursuant to subdivision 2, shall be approved or disapproved by the commissioner of commerce as provided for in sections 46.041 and 46.044.

History: *1985 c 248 s 13,14*

47.20 USE OF FEDERAL ACTS; DEFINITIONS; INTEREST RATES; REQUIRED PROVISIONS; INTEREST ON ESCROW ACCOUNTS; PENALTY.

[For text of subds 1 to 6b, see M.S.1984]

Subd. 6c. Extension of certain loan assumptions. Conventional loans made on or after June 1, 1979, and before May 9, 1981, continue to be assumable under the provisions of Minnesota Statutes 1984, section 47.20, subdivision 6, until September 31, 1990.

[For text of subds 7 to 10, see M.S.1984]

Subd. 11. [Repealed, 1Sp1985 c 13 s 376]

Subd. 12. [Repealed, 1Sp1985 c 13 s 376]

[For text of subds 13 to 14, see M.S.1984]

Subd. 15. (a) Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property to which the provisions of chapter 583 apply, mailed after May 24, 1983 and prior to May 1, 1985, or after June 8, 1985, and prior to May 1, 1987, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale under sections 583.01 to 583.12.

(b) The statement must be in bold type, capitalized letters, or other form sufficient for the reader to quickly and easily distinguish the statement from the rest of the notice. The requirements of this paragraph must be followed on notices mailed under this subdivision on or after August 1, 1985. A violation of this paragraph is a petty misdemeanor.

History: 1985 c 203 s 1; 1985 c 306 s 1; 1Sp1985 c 16 art 2 s 43; 1Sp1985 c 18 s 1

47.29 SAVINGS BANKS MAY CONVERT INTO FEDERAL ASSOCIATIONS.

Subdivision 1. Any savings bank organized and existing under and by virtue of the laws of this state, is hereby authorized and empowered, by a two-thirds vote of the entire board of trustees, at any regular or special meeting of said board duly called for that purpose to convert itself into a federal association whenever said conversion is authorized by any act of the Congress of the United States: Provided, that before any such conversion shall become final and complete, (a) the secretary of the savings bank shall cause 30 days' written notice of such intended conversion (which notice, before mailing, shall be submitted to and approved by the commissioner of commerce) to be mailed prepaid to each depositor, at their last known address, according to the records of the bank, and after such notice each depositor may, prior to the time the conversion becomes final and complete, on demand and without prior notice, withdraw the full amount of his deposit or such part thereof as he may request, and upon such withdrawal he shall receive interest to the date of withdrawal at the same rate last paid or credited by the bank, notwithstanding the provisions of any law, bylaws, rule or regulation to the contrary, and (b) that such conversion be approved in writing by the commissioner of commerce.

[For text of subd 2, see M.S.1984]

History: 1985 c 248 s 15

47.30 SAVINGS, BUILDING AND LOAN ASSOCIATION MAY CONVERT INTO SAVINGS BANK.

[For text of subd 1, see M.S.1984]

Subd. 2. An application for a certificate authorizing a savings bank to transact business, in the form required by sections 46.041 and 46.046, shall be submitted to, considered and acted upon by the department of commerce in the same manner and by the same standards as applications are submitted, considered and acted upon under sections 46.041, 46.044, 46.046, 50.01 and 50.02. The fees required by section

46.041 shall be paid and the amendments proposed to the articles of incorporation and bylaws shall be included as part of the application.

Subd. 3. If the department of commerce grants the application, the certificate of authorization (charter) shall be issued as provided by section 46.041, and the articles of incorporation may then be amended so as to convert the savings, building and loan association into a savings bank by following the procedure prescribed for amending articles of incorporation of savings, building and loan associations: Provided, that the proposed amended articles shall contain the names of, and be signed by, the proposed first board of trustees.

[For text of subds 4 to 7, see M.S.1984]

History: 1985 c 248 s 16,17

47.51 DETACHED BANKING FACILITIES; DEFINITIONS.

As used in sections 47.51 to 47.57:

"Extension of the main banking house" means any structure or stationary mechanical device serving as a drive-in or walk-up facility, or both, which is located within 150 feet of the main banking house, the distance to be measured in a straight line from the closest points of the closest structures involved and which performs one or more of the functions described in section 47.53.

"Detached facility" means any permanent structure, office accommodation located within the premises of any existing commercial or business establishment, stationary automated remote controlled teller facility, stationary unmanned cash dispensing or receiving device, located separate and apart from the main banking house which is not an "extension of the main banking house" as above defined, that serves as a drive-in or walk-up facility, or both, with one or more tellers windows, or as a remote controlled teller facility or a cash dispensing or receiving device, and which performs one or more of those functions described in section 47.53.

"Bank" means a bank as defined in section 46.046 and any banking office established prior to the effective date of Laws 1923, chapter 170, section 1.

"Commissioner" means the commissioner of commerce.

"Municipality" means the geographical area encompassing the boundaries of any home rule charter or statutory city located in this state, and any detached area, pursuant to section 473.625, operated as a major airport by the metropolitan airports commission pursuant to sections 473.601 to 473.679. When a bank is located in a township, the term municipality is expanded to mean the geographical area encompassing the boundaries of the township.

History: 1985 c 248 s 18

47.58 REVERSE MORTGAGE LOANS.

[For text of subd 1, see M.S.1984]

Subd. 2. **Authorization.** Pursuant to rules which the commissioner of commerce or commissioner of insurance may find to be necessary and proper, if any, and subject to federal laws and regulations, lenders may make investments in reverse mortgage loans and purchases of obligations representing reverse mortgage loans, provided the aggregate total of committed principal of the investment in reverse mortgage loans by any bank, savings bank, or savings and loan association, does not exceed five percent of that lender's total deposits and savings accounts. This limitation shall be determined at each June 30 and December 31 for the following six-month period. Any decline in the total of deposits and savings accounts

subsequent to a determination may be disregarded. Security for loans made under this section shall be a first lien on residential property (a) which the borrower occupies as principal residence and which qualifies for homestead classification pursuant to section 273.13, and (b) to which the borrower alone has title.

Subd. 3. Payment; repayment; amount. The committed principal amount of a reverse mortgage loan shall be paid to the borrower over the period of months or years as specified in the loan agreement. The borrower and lender may, by written agreement, amend the loan agreement from time to time. Pursuant to the terms of the contract the borrower shall make repayment to the lender:

(a) upon payment to the borrower of the final installment unless, by written agreement between the borrower and lender whereunder the borrower agrees to periodically pay the lender interest accruing on the outstanding loan balance, repayment of the outstanding loan balance is postponed until default in payment of interest or until the occurrence of any of the events specified in clauses (b) to (e);

(b) upon sale of the property securing the loan;

(c) upon the death of the last surviving borrower;

(d) upon the borrower terminating use of the property as principal residence so as to disqualify the property from homestead classification under section 273.13; or

(e) upon renegotiation of the terms of the reverse mortgage loan agreement, unless the parties agree in writing to postpone repayment.

Except as otherwise provided in this subdivision, the outstanding loan balance as projected by the lender to the anticipated time of payment to the borrower of the final installment of committed principal shall not exceed 80 percent of the appraised value of the property at inception of the loan. If upon reappraisal of the property made at any time during the term of the loan, the projected outstanding loan balance does not exceed 70 percent of the reappraised value of the property, the schedule of the lender's installment payments may be extended and the amount of the committed principal amount increased, provided the revised outstanding loan balance at payment of the lender's final installment of committed principal does not exceed 80 percent of the reappraised value of the property.

[For text of subds 4 to 7, see M.S.1984]

History: 1Sp1985 c 14 art 4 s 5,6