

**48.21 REAL ESTATE; RESTRICTIONS ON HOLDING.**

Subdivision 1. **Specific restrictions.** A bank may purchase, carry as an asset, and convey real estate only:

- (1) as provided for in section 47.10;
- (2) if acquired through foreclosure of a mortgage given to it in good faith as security for loans made by or money due to it;
- (3) if conveyed to it in satisfaction of debts previously contracted in good faith in the course of its dealings;
- (4) if acquired by sale on execution or judgment of a court in its favor; or
- (5) if reasonably necessary to mitigate or avoid loss on a loan or investment theretofore made.

Real estate acquired under clauses (2) to (5) shall be carried as an asset only in accordance with rules the commissioner prescribes.

Subd. 2. **Real estate holdings not bank liabilities.** Real estate owned by a bank as a result of actions authorized in clauses (2) to (5) of subdivision 1 and subsequently sold to any buyer on a contract for deed may not be considered creating a liability to a bank for purposes of section 48.24.

Subd. 3. **Real estate holdings not sold; authority to write off.** Notwithstanding any rules of the commissioner to the contrary, if real estate owned by a bank pursuant to clauses (2) to (5) of subdivision 1 is not sold or otherwise disposed of within the maximum period established by rule by the commissioner, the bank may write off any remaining balance at a rate not less than one-fifth of that balance each subsequent calendar year.

**History:** (7679) *RL s 2995; 1919 c 85 s 1; 1921 c 258 s 1; 1929 c 54 s 1; 1945 c 63 s 1; 1955 c 104 s 2; 1957 c 601 s 12; 1982 c 473 s 12; 1987 c 349 art 1 s 14*