301.78 NONSTOCKHOLDER MEMBERS.

The nonstockholder members of the corporation shall consist of such national or state banks, savings banks, savings associations, trust companies, stock or mutual insurance companies and other financial institutions as may make application for membership in said corporation, and membership shall become effective upon the acceptance of such application by the board of directors. Each such member of the corporation shall lend money to the corporation as and when called upon by it to do so on such terms and other conditions as shall be approved from time to time by a majority of the directors. The total amount of loans by any member at any one time shall not exceed the following limit, to be determined as of the time such member becomes a member (on the basis of the balance sheet of such member at the close of its preceding fiscal year, certified by its proper officers): 2-1/2 percent of the capital and surplus of commercial banks and trust companies; 2-1/2 percent of one-half of the total surplus accounts of savings banks; 2-1/2 percent of the guaranty funds, surplus and undivided profits of savings associations and 2-1/2 percent of the capital and surplus of stock insurance companies; 2-1/2 percent of the guaranty funds or of the surplus, whichever is applicable, of mutual insurance companies and comparable limits approved by the board of directors of the corporation for other banking, financing and insurance companies and related corporations, partnerships, foundations, and other institutions. All loan limits shall be established at the thousand dollar amount nearest to the amount computed in accordance with the aforesaid percentages. All calls of funds which nonstockholder members are committed to lend to the corporation shall be prorated by the corporation among the nonstockholder members in the same proportion that the individual lines of credit bear to the aggregate lines of credit. Upon 60 days' written notice, a member of the corporation may withdraw from membership in the corporation at the expiration date of such notice, and after said expiration date shall be free of obligations hereunder except those accrued prior to said expiration date.

History: *1957 c 896 s 8; 1995 c 202 art 1 s 25*