50.175 NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNT.

Subdivision 1. **Authorization.** 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 14 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.

Subd. 2. **Reserves.** A savings bank shall maintain reserves in the form of liquid assets at a level reasonably necessary to meet anticipated withdrawals, commitments, and loan demand. Reserves shall be in cash, cash items in process of collection, short term obligations of or demand balances with other insured financial institutions in the United States and its territories, or short term, direct obligations of or guaranteed by the United States government. Obligations must mature within one year to be considered short term. The commissioner may prescribe the required amount of reserves in relation to liabilities for any individual savings bank from time to time based upon examination findings or other reports relating to the savings bank that are available to the commissioner. Reserves for an individual savings bank as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

History: *1977 c 104 s 1; 1981 c 182 s 3; 1982 c 424 s 130; 1995 c 171 s 52; 1997 c 187 art 3 s 9*