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IN THE HOUSE

BY MR. SANDERS

HOUSE BILL NO. 376

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act to amend the Mutual Savings Bank Act."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. Sec. 9, Ch. 132, SLA 1960, is amended to read:

Sec. 9. BORROWING. Each mutual bank may borrow from any source and in any manner such amounts without limit as may be required to satisfy its obligations to its depositors and may borrow for other purposes an aggregate outstanding amount not to exceed (1) five per cent of its total assets at the time of borrowing, exclusive of any sums borrowed pursuant to sections 7 and 8, or (2) 15 per cent of its total assets at the time of borrowing from the Federal Home Loan Bank.

Sec. 2. Sec. 10, a, Ch. 132, SLA 1960, is repealed and re-enacted to read:

a. A mutual bank may accept any savings deposit and may issue a passbook or other evidence of its obligation to repay any such savings deposit.

Sec. 3. Sec. 10, c, Ch. 132, SLA 1960, is amended to read:

c. Except as otherwise provided in this Act, a mutual bank may pay interest on deposits from net earnings and undivided profits at such rates and at such intervals as shall be approved by its trustees [, PROVIDED THAT NO MUTUAL BANK SHALL CONTRACT WITH ITS DEPOSITORS IN ADVANCE TO PAY

1 ANY SPECIFIC RATE OF INTEREST].

2 Sec. 4. Sec. 11, a, (4), Ch. 132, SLA 1960, is amended to
3 read:

4 (4) any property improvement note issued pursuant
5 to the provisions of Title 1, of the National Housing Act
6 and any other property improvement note of a face amount not
7 in excess of \$3,500.00;

8 Sec. 5. Sec. 11, a, (6), (a), Ch. 132, SLA 1960, is amended
9 to read:

10 (a) no investment in mortgages executed by
11 any one mortgagor shall in the aggregate exceed two per
12 cent of the assets of the mutual bank at the time the
13 investment is made, or \$37,500.00 on a single family
14 dwelling or \$50,000.00 on a multiple family dwelling or
15 other improved realty [OR \$25,000.00]; whichever is
16 greater;

17 Sec. 6. Sec. 11, a, (6), (b), Ch. 132, SLA 1960, is amended
18 to read:

19 (b) no investment in any one mortgage shall
20 exceed two per cent of the assets of the mutual bank at
21 the time the investment is made, or as specified in
22 Sec. 11 a(6)(a) above [\$25,000.00], whichever is greater,
23 or more than 80 per cent of the appraised value of a
24 one-to-four family residence securing a conventional
25 loan or more than 75 per cent of the appraised value of
26 any other real property securing a conventional loan;

27 Sec. 7. Sec. 11, a, (9), (a), Ch. 132, SLA 1960, is amended
28 to read:

29 (a) any promissory note payable to the order

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of the mutual bank [WITHIN 90 DAYS FROM DATE], which is:

1. secured by the assignment of one or more mortgages in which a mutual bank may invest, if the amount so invested in any such note shall not exceed 90 per cent of the principal sum secured by such mortgage or mortgages. The assignment of every mortgage taken as security for any such note shall be recorded or registered in the office of the proper recording officer of the recording precinct in which the real property described in such mortgage is located;

2. secured by any of the bonds or other securities in which a mutual bank may invest, if the amount so invested in any such note shall not exceed 90 per cent of the market value of such bonds or other securities at the time of such investment;

3. secured by an insurance policy to the extent of such policy's cash surrender value;

4. made by a savings and loans association which has been incorporated three years or more and has an accumulated capital of at least \$50,000.00;

Sec. 8. Sec. 11, a, (9), (b), Ch. 132, SLA 1960, is amended to read:

(b) any promissory note payable to the order of the mutual bank within one year from its date which is secured by the assignment of a deposit in any federally insured thrift institution [MUTUAL BANK], if the amount of the investment in any such note is not in excess of the amount of such deposit.