

1 IN THE HOUSE

BY THE COMMERCE AND LABOR COMMITTEE

2 CS FOR HOUSE BILL NO. 376

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to amend the Mutual Savings Bank
7 Act; and providing for an effective date."

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

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

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

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 Sec. 10, a, Ch. 132, SLA 1960, is repealed and re-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

20 a. A mutual bank may accept savings deposits to be held
21 solely and absolutely in its own right by, or in trust or
22 other fiduciary capacity for, any person, including an adult
23 or minor individual, male or female, single or married, a
24 partnership, non-profit organization, association, fiduciary,
25 corporation, or political subdivision or public or govern-
26 mental unit. A passbook may be issued or other evidence of
27 its obligation to repay any such savings deposit.

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

29 c. Except as otherwise provided in this Act, a mutual

1 bank may pay interest on deposits from net earnings and un-
2 divided profits at such rates and at such intervals as shall
3 be approved by its trustees, provided that no mutual bank
4 shall contract with its depositors in advance to pay any
5 specific rate of interest. Notwithstanding the provisions
6 of this section, however, a mutual bank may contract with a
7 political subdivision or public or governmental unit for a
8 specific rate of interest where such contract is mandatory
9 to comply with regulations of such political subdivision or
10 public or governmental unit.

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

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

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

19 (a) no investment in mortgages executed by
20 any one mortgagor shall in the aggregate exceed two per
21 cent of the assets of the mutual bank at the time the
22 investment is made, or \$37,500.00 on a single family
23 dwelling or \$50,000.00 on a multiple family dwelling or
24 other improved realty [OR \$25,000.00], whichever is
25 greater;

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

28 (b) no investment in any one mortgage shall
29 exceed two per cent of the assets of the mutual bank at

1 the time the investment is made, or as specified in
2 Sec. 11 a(6)(a) above [\$25,000.00], whichever is greater
3 or more than 80 per cent of the appraised value of a
4 one-to-four family residence securing a conventional
5 loan or more than 75 per cent of the appraised value of
6 any other real property securing a conventional loan;

7 Sec. 7. Sec. 11, a, (6), (d), Ch. 132, SLA 1960, is amended
8 to read:

9 (d) no investment shall be made in a conven-
10 tional loan if the aggregate unpaid principal of all
11 conventional loans exceed 80 percent of deposits plus
12 all borrowings from the Federal Home Loan Bank;

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

15 (a) any promissory note payable to the order
16 of the mutual bank [WITHIN 90 DAYS FROM DATE], which is:

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

27 2. secured by any of the bonds or other
28 securities in which a mutual bank may invest, if
29 the amount so invested in any such note shall not

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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. 9. 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.

Sec. 10. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.