

SB

367

COMMITTEE REPORT
SENATE

FURTHER: None

3/11/80

Date: 4/24/80

Mr. President:

The Committee on JUDICIARY has had SB 367

savings associations

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

By: SENATE JUDICIARY COMMITTEE

To: AMEND SENATE BILL No. CSSB 367

HOUSE BILL No. _____

PAGE: 1

LINE: 15 through line 19

Beginning with the word "For" on line 15, delete all material through line 19.

Original sponsor: Hackney

Amended
Pennicook

Offered: 3/11/80
Referred: Judiciary

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 367

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to savings associations."

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

8 * Section 1. AS 06.30.025 is repealed and re-enacted to read:

9 Sec. 06.30.025. DECLARATION OF POLICY; RULE-MAKING AUTHORITY. (a)

10 In giving authority for the establishment of associations, it is the
11 intent of the legislature to make available to the people of the state
12 the benefits of savings and loan associations, thereby promoting a sound
13 and competitive association system, the practice of thrift, savings,
14 investment, home financing, and the security of persons saving through
15 associations. [For the accomplishment of these purposes, the legislature
16 intends by this chapter to vest in the department, in addition to other
17 regulatory authority, the authority to allow by regulation those powers
18 possessed by state-chartered associations in other states which the
19 department determines have demonstrated accomplishment of these purposes.]

20 (b) The commissioner may by regulation define the powers of asso-
21 ciations and adopt regulations to carry out the purposes of associations
22 consistent with this chapter and AS 06.01.020.

23 * Sec. 2. AS 06.30.030 is amended to read:

24 Sec. 06.30.030. STANDARDS FOR REGULATIONS. The commissioner in
25 the exercise of the power to issue regulations under [NECESSARY TO CARRY
26 OUT] this chapter shall act in the interests of a sound and competitive
27 savings and loan system and in the interest of promoting and encouraging
28 thrift, savings, investment, home financing, and the security of persons
29 saving through savings associations.

1 * Sec. 3. AS 06.30.280 is amended by adding a new paragraph to read:

2 (19) under regulations adopted by the department provide
3 negotiable or nonnegotiable orders of withdrawal accounts for its
4 depositors.

5 * Sec. 4. AS 06.30.295 is amended to read:

6 Sec. 06.30.295. FIXED RATE, FIXED TERM ACCOUNTS. No association
7 may issue, sell, negotiate, or advertise for sale either to members or
8 the public any type of investment security other than savings accounts
9 unless otherwise provided in this chapter or in regulations adopted
10 under AS 06.01.020. An association may accept accounts bearing a
11 definite rate of return for fixed periods of time when its board of
12 directors has adopted a resolution providing for the issuance of fixed
13 rate, fixed term accounts and those accounts are insured by the Federal
14 Savings and Loan Insurance Corporation.

15 * Sec. 5. AS 06.30.375 is amended to read:

16 Sec. 06.30.375. SAVINGS ACCOUNTS IN GENERAL. (a) Savings
17 accounts shall be opened for cash or its equivalent. Except as limited
18 by the board of directors, a member may make additions to his savings
19 accounts in amounts and at times he chooses.

20 (b) Earnings on accounts shall be fixed or otherwise declared in
21 accordance with the provisions of this chapter, the implementing regula-
22 tions adopted under this chapter, or regulations adopted under AS 06.01.
23 020.

24 (c) Under regulations adopted by the department, each association
25 may classify and differentiate among accounts but [EXCEPT AS PROVIDED IN
26 AS 06.30.450 - 06.30.455,] an association may not prefer one of its
27 savings accounts within an account class over another savings account
28 in the same class as to the right to participate in earnings [RECEIVE
29 DIVIDENDS].

1 ning of the dividend period, plus additions to it made during the
2 dividend period, less amounts withdrawn and noticed for withdrawal,
3 which for dividend purposes shall be deducted from the latest previous
4 addition, computed at the declared rate for the time invested. The date
5 of investment is the date of actual receipt by the association of an
6 account or an addition to an account. If the board of directors so
7 determines, accounts or additions received by the association on or
8 before a date not later than the 10th day of the month, unless the day
9 determined is not a business day, in which case it may be the next
10 succeeding business day, shall receive dividends as if invested on the
11 first day of the month in which the payments were received. If the
12 board makes this determination, it also shall determine that payments
13 received after the determination date shall either (1) receive dividends
14 as if invested on the first day of the next succeeding month, or (2)
15 receive dividends from the date of actual receipt by the association.

16 * Sec. 8. AS 06.30.460 is repealed and re-enacted to read:

17 Sec. 06.30.460. APPLICATION FOR WITHDRAWAL OR TRANSFER. An
18 account holder or an authorized representative may at any time apply for
19 withdrawal or transfer of all or a part of an account. The application
20 may consist of a negotiable or nonnegotiable order of withdrawal or an
21 authorization for transfer from one account to another. Each appli-
22 cation shall request immediate withdrawal or transfer of a specified
23 amount in accordance with AS 06.30.470. A member may cancel his
24 application at any time in whole or in part by written notice.

25 * Sec. 9. AS 06.30 is amended by adding a new section to article 15 to
26 read:

27 Sec. 06.30.897. ADDITIONAL POWERS. The enumeration of the general
28 powers of association in AS 06.30.280 does not exclude the exercise of
29 other powers that are appropriate for the achievement of the objectives

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and purposes of an association under this chapter. With the approval of the department, an association may provide for the exercise of other powers in its bylaws or regulations.

* Sec. 10. AS 06.30.910 is amended by adding a new paragraph to read:

(27) "order of withdrawal" means an order directing withdrawal from a savings or similar interest-bearing account.

~~add off the 1, 1981~~

SECTION ANALYSIS OF CS FOR SB 367 BY TOM BISS REPRESENTING PENN. SAVINGS.

SECTION ONE: VESTS THE DEPT OF COMMERCE WITH REGULATORY POWERS TO PROMULGATE REGULATIONS EXISTING IN OTHER STATES FOR STATE CHARTERED SAVINGS AND LOAN ASSOCIATIONS.

SECTION TWO: EMPOWERS THE COMMISSIONER OF COMMERCE TO ISSUE REGULATIONS UNDER THIS ACT.

SECTION THREE: PROVIDES REGULATORY POWER TO THE DEPT. OF COMMERCE TO ALLOW NEGOTIABLE AND NONNEGOTIABLE ORDERS OF WITHDRAWAL (NOW) ACCOUNTS.

SECTION FOUR: AMENDS SEC. 06.30.295 TO ALLOW FOR NOW ACCOUNTS.

SECTION FIVE: ALLOWS DEPT. OF COMMERCE TO ESTABLISH NOW ACCOUNTS BY REGULATION ALLOWS WITHDRAWALS FROM INTEREST BEARING ACCOUNTS AND GIVES THE DEPOSITOR THE RIGHT TO EARNINGS.

SECTION SIX: EXPANDS AUTHORITY FOR PAYMENT OF DIVIDENDS FROM JUST SAVINGS ACCOUNTS TO VARIOUS ACCOUNT CLASSIFICATIONS. ALLOWS DIVIDENDS TO BE PAID ON NOW ACCOUNTS.

SECTION SEVEN: ESTABLISHES AUTHORITY OF DEPT. OF DEPT. OF COMMERCE TO ESTABLISH INTEREST RATES TO BE PAID TO NOW ACCOUNT HOLDERS. RE-CLASSIFIES DIVIDENDS AS EARNINGS AND EXPANDS PAYMENTS ON EARNINGS FOR SAVINGS ACCOUNTS TO COVER ALL CLASSIFICATIONS OF ACCOUNTS.

SECTION EIGHT: REWRITES AS 06.30.460 TO ALLOW FOR NOW ACCOUNTS.

SECTION NINE: PROVIDES SAVINGS AND LOANS ASSOCIATIONS THE AUTHORITY TO AMEND THEIR BY-LAWS TO ALLOW FOR NOW ACCOUNTS.

SECTION TEN: REDEFINES ORDER OF WITHDRAWAL TO ACCOMMODATE NOW ACCOUNTS.



THE FIRST NATIONAL BANK OF ANCHORAGE

February 25, 1980

Brad Bradley, State Senator
Chairman, Senate Commerce Committee
Pouch V State Capitol
Juneau, Alaska 99811

Dear Senator Bradley:

I just am not conversant with the activities, structure, and laws relating to savings and loan associations to comment on Senate Bill #367.

Rather than to make an uninformed comment, I thought better to make none. I do thank you for considering me and my advise.

Sincerely,

D. H. CUDDY,
President

DHC:hla
cc

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811

February 27, 1980

Senator Brad Bradley
Chairman, House Commerce Committee
Pouch V
Juneau, Alaska 99811

Dear senator Bradley:

Re: NOW Account Legislation
(SB 367)

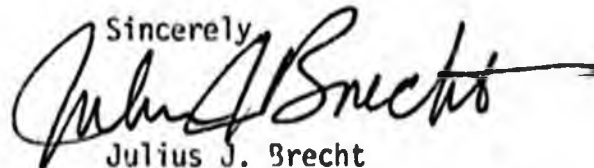
At the hearing held by the Senate Commerce Committee several weeks ago on SB 367, I indicated that the department had just received an opinion from the Department of Law stating that as a practical matter the Alaska Savings Association Act (AS 06.30) precluded state-chartered savings associations from offering NOW accounts.

Since that time I had the opportunity to review the provisions of AS 06.30 in the context of the Attorney General's opinion. I have found that to make clear that these accounts are not prohibited by AS 06.30, one must make adjustments to five other sections of that chapter. I am therefore resubmitting the full set of amendments that I believe are necessary to provide clear authority and procedures for state-chartered savings associations to offer NOW accounts.

I have reviewed this new set of amendments with Mr. Turner, President of Peninsula Savings and Loan Association. It is my understanding that he is in agreement with them.

I stand ready to discuss these proposed amendments with you or members of your staff at your convenience.

Sincerely,



Julius J. Brecht
Director

JJB:aw
Enclosure

cc: Senator Glen Hackney
Eddie Turner

PROPOSED AMENDMENTS TO SB 367

1. I suggest the following to replace Section 1 of the bill so that there is a clear expression of legislative intent:

"Sec. 06.30.025 DECLARATION OF POLICY; RULE-MAKING AUTHORITY. (a) In providing authority for the establishment of associations, it is the intent of the legislature to make available the benefits of savings and loan association business, thereby promoting a sound and competitive association system, the practice of thrift, savings, investment, home financing, and the security of persons saving through associations. For the accomplishment of these purposes, the legislature intends by this chapter to vest in the department, in addition to other regulatory authority, the authority to allow by regulation those powers possessed by state-chartered associations in other states which the department determines have demonstrated accomplishment of this declaration of policy.

(b) The commissioner may by regulation define the powers of associations and adopt regulations to carry out the purposes for their creation consistent with the provisions of this chapter and AS 06.01.020."

2. I suggest that the word "savings" be deleted in lines 28 and 29 on page 1 of the bill in that the term "association" is defined as a savings and loan association in AS 06.30.910(1).

3. Line 19 of the bill be changed to read:

"exercise of the power to issue regulations under [NECESSARY TO CARRY OUT] this"

In this way the provisions of AS 06.30.030 will be more compatible with the proposed changes to AS 06.30.025 and the new Sec. 06.30.897.

4. The word "objects" on line 28 of page 1 of the bill should be replaced with the word "objectives."
5. In addition, I suggest that the following amendments be made to make clear that state-chartered savings associations may offer NOW accounts. (These recommendations are made as a result of the February 1, 1980 opinion of the Department of Law on NOW accounts under AS 06.30):

(a) AS 06.30.295 is amended to read:

"AS 06.30.295. FIXED RATE; FIXED TERM ACCOUNTS. No association may issue, sell, negotiate or advertise for sale either to members or the public any type of investment security other than savings accounts unless otherwise provided under this chapter or AS 06.01.020. An association may accept accounts bearing a definite rate of return for fixed periods of time when its board of directors has adopted a resolution providing for the issuance of fixed rate, fixed term accounts and those accounts are insured by the Federal Savings and Loan Insurance Corporation."

(b) AS 06.30.375 is amended to read:

"Sec 06.30.375. SAVINGS ACCOUNTS IN GENERAL. (a) Savings accounts shall be opened for cash or its equivalent. Except as limited by the board of directors, a member may make additions to his savings accounts in amounts and at times he chooses.

(b) Earnings on accounts shall be fixed or otherwise declared in accordance with the provisions of this chapter, the implementing regulations, or AS 06.01.020.

(c) Under regulations adopted by the department, each association may classify and differentiate among deposits but no association shall prefer one of its savings accounts within an account classification over any other savings account in the same classification as to the right to participate in earnings. [EXCEPT AS PROVIDED IN §§ 450-455 OF THIS CHAPTER, AN ASSOCIATION MAY NOT PREFER ONE OF ITS SAVINGS ACCOUNTS OVER ANOTHER AS TO THE RIGHT TO RECEIVE DIVIDENDS.]

(d) No preference between savings account members may be created with respect to the distribution of assets upon voluntary or involuntary liquidation, dissolution or winding up the business of the association."

(c) AS 06.30.450 is amended to read:

"Sec. 06.30.450. DECLARATION OF DIVIDENDS. As of one of the last three business days before the closing of any period as fixed by the board of directors, the board may declare dividends on various account classifications of record on that date. The board is not required to declare any dividends or the same dividends for the various account classifications [A DIVIDEND ON SAVINGS ACCOUNTS OF RECORD ON THAT DATE]. The dividends shall be payable as of that date or a later date not more than 30 days following the close of that period as determined by the board. No dividends shall be declared except dividends as provided in this section."

(d) AS 06.30.455 is amended to read:

"Sec. 06.30.455. COMPUTATION AND PAYMENT OF DIVIDENDS ON SAVINGS PLANS. Dividends shall be credited to savings accounts on the books of the association on the dividend-payment date unless a savings account holder requests and the association agrees to pay dividends on all or part of a savings account in cash. Dividends payable in cash shall be paid on the dividend-payment date and may be paid by check or bank draft.

All account holders shall participate equally in earnings pro rata to the withdrawal value of their respective accounts unless an association has classified or differentiated among its accounts. If an association has classified and differentiated among its accounts, all account holders within the same classification shall participate equally in earnings pro rata to the withdrawal value of their respective accounts.

ALL SAVINGS ACCOUNT HOLDERS SHALL PARTICIPATE EQUALLY IN DIVIDENDS PRO RATA TO THE WITHDRAWAL VALUE OF THEIR RESPECTIVE ACCOUNTS, EXCEPT THAT THE ASSOCIATION MAY PAY DIVIDENDS ACCORDING TO THE RATE LIMITATIONS PRESCRIBED FOR DIFFERENT CLASSES OF ACCOUNTS AND ADMINISTERED BY THE FEDERAL HOME LOAN BANK BOARD. DIVIDENDS SHALL BE DECLARED ON THE WITHDRAWAL VALUE OF EACH SAVINGS ACCOUNT AT THE BEGINNING OF THE DIVIDEND PERIOD, PLUS ADDITIONS TO IT MADE DURING THE DIVIDEND PERIOD, LESS AMOUNTS WITHDRAWN AND NOTICED FOR WITHDRAWAL, WHICH FOR DIVIDEND PURPOSES SHALL BE DEDUCTED FROM THE LATEST PREVIOUS ADDITION, COMPUTED AT THE DECLARED RATE FOR THE TIME INVESTED. THE DATE OF INVESTMENT IS THE DATE OF ACTUAL RECEIPT BY THE ASSOCIATION OF AN ACCOUNT OR AN ADDITION TO AN ACCOUNT. IF THE BOARD OF DIRECTORS SO DETERMINES, ACCOUNTS OR ADDITIONS RECEIVED BY THE ASSOCIATION ON OR BEFORE A DATE NOT LATER THAN THE 10TH DAY OF THE MONTH, UNLESS THE DAY DETERMINED IS NOT A BUSINESS DAY, IN WHICH CASE IT MAY BE THE NEXT SUCCEEDING BUSINESS DAY, SHALL RECEIVE DIVIDENDS AS IF INVESTED ON THE FIRST DAY OF THE MONTH IN WHICH THE PAYMENTS WERE RECEIVED. IF THE BOARD MAKES THIS DETERMINATION, IT ALSO SHALL DETERMINE THAT PAYMENTS RECEIVED AFTER THE DETERMINATION DATE SHALL EITHER (1) RECEIVE DIVIDENDS AS IF INVESTED ON THE FIRST DAY OF THE NEXT SUCCEEDING MONTH OR (2) RECEIVE DIVIDENDS FROM THE DATE OF ACTUAL RECEIPT BY THE ASSOCIATION."

(e) AS 06.30.460 is repealed and reenacted to read:

"Sec. 06.30.460. APPLICATION FOR WITHDRAWAL OR TRANSFER. Any account holder or an authorized representative may at anytime apply for withdrawal or transfer of all or any part of an account. Application may consist of negotiable or nonnegotiable orders or transfer authorizations from one account to another. Every application shall request immediate withdrawal of a specified amount in accordance with secs. 460-470 of this chapter. A member may cancel his application at any time in whole or in part by a writing."

(f) AS 06.30.910 is amended by adding a new paragraph to read:

"(19) provide the service of negotiable or nonnegotiable orders of withdrawal accounts to its depositors under regulations adopted by the department."

Brad:

Chris has the
Model Act (273 page
booklet) referred to
in this letter
J

PENINSULA SAVINGS AND LOAN ASSOCIATION

Eddie J. Turner
President
and Managing Officer

February 19, 1980

The Honorable W. E. "Brad" Bradley
Chairman, Senate Commerce Committee
State Capital
Pouch V
Juneau, Alaska 99811

Re: Senate Bill No. 367

Dear Senator Bradley:

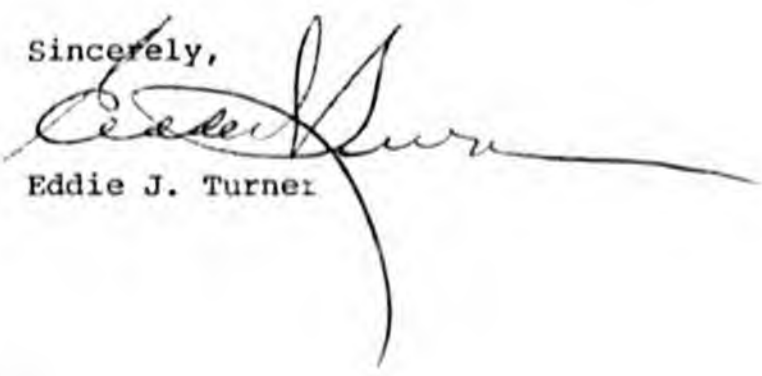
In reviewing this necessary legislation together with an opinion of the Assistant Attorney General regarding N.O.W. accounts as they relate to savings and loan associations, AS 06.30.455 should be amended to include suitable language similiar to the U.S. League's "Model Savings and Loan Act".

I have enclosed proposed changes and a copy of the model act for your perusal.

Jan and I are planning to be in Juneau on Thursday, February 28th, and would therefore request a hearing be scheduled to consider SB 367 on that date if at all possible.

Your prompt consideration of this matter is greatly appreciated.

Sincerely,



Eddie J. Turner

EJT/jt

Enclosures

cc: Julius J. Brecht, Director
File

Pouch 1000
Soldotna, Alaska 99669
907/262-9166
Blazy Mall — Sterling Highway

Sec. 06.30.455. COMPUTATION AND PAYMENT OF DIVIDENDS ON SAVINGS PLANS.

Dividends shall be credited to savings accounts on the books of the association on the dividend-payment date unless a savings account holder requests and the association agrees to pay dividends on all or part of a savings account in cash. Dividends payable in cash shall be paid on the dividend-payment date and may be paid by check or bank draft. All savings account holders shall participate equally in dividends pro rata to the withdrawal value of their respective accounts, [except the association may pay dividends according to the rate limitations prescribed for different classes of accounts and administered by the Federal Home Loan Bank Board.] except that an association may classify its savings accounts according to the character, amount, or duration thereof, or regularity of additions thereto, and may agree in advance to pay an additional or different rate of dividends on all savings accounts in the same account classification, and shall regulate such dividends in such manner that each savings account in the same classification shall receive the same ratable portion of such additional dividends. Except for accounts which shall be classified according to a specified contractual time or notice period, dividends shall be declared on the withdrawal value of each savings account at the beginning of the dividend period, plus additions to it made during the dividend period, less amounts withdrawn and noticed for withdrawal, which for dividend purposes shall be deducted from the latest previous addition, computed at the declared rate for the time invested. The date of investment is the date of actual receipt by the association of an account or an addition to an account. If the board of directors so determines, accounts or additions received by the association on or before a date not later than the 10th day of the month, unless the day determined is not a business day, in which case it may be the next succeeding business day, shall receive dividends as if invested on the first day of the month in which the payments were received. If the board makes this determination, it also shall determine that payments received after the determination date shall either (1) receive dividends as if invested on the first day of the next succeeding month, or (2) receive dividends from the date of actual receipt by the association. Notwithstanding the provisions of the third sentence of this section, the board of directors, by resolution, may determine that dividends shall not be paid on designated savings accounts (1) from which withdrawals may be made by negotiable and transferable order or authorization, or (2) which are established for the purpose of accumulating funds to pay taxes or insurance premiums, or both, in connection with a loan, or (3) which have a withdrawal value of a specified amount less than \$50, or (4) which are intended to be closed within a specified period less than twenty-four (24) months from the date on which such savings account is opened. The directors shall determine by resolution the method of calculating the amount of any dividends on any savings account classification as herein provided, and the time or times when dividends are to be declared, paid or credited.

AMENDMENTS:

1. I suggest the following to replace Section 1 of the bill so that there is a clear expression of legislative intent:

Sec. 06.30.025 DECLARATION OF POLICY; RULE-MAKING AUTHORITY
[GENERAL RULE-MAKING AUTHORITY OF COMMISSIONER]. (a) In
providing authority for the establishment of associations,
it is the intent of the legislature to make available the
benefits of savings and loan association business, thereby
promoting a sound and competitive association system, the
practice of thrift, savings, investment, home financing,
and the security of persons saving through associations.
For the accomplishment of these purposes, the legislature
intends by this chapter to vest in associations those
powers generally possessed by state-chartered associations
in other states *as provided by the dept by regulation.*

(b) [Insert the present language of AS 06.30.025.]

2. Furthermore, I suggest that the word "savings" be deleted in lines 28 and 29 on page 1 of the bill in that the term "association" is defined as a savings and loan association in AS 06.30.910(1).

3. Line 19 of page 1 of the bill should be changed to read:

"exercise of the power to issue regulations under [NECESSARY TO CARRY OUT] this"

In this way the provisions of AS 06.30.030 will be more compatible with the proposed changes to AS 06.30.025 and the new Sec. 06.30.897.

4. Finally, the word "objects" on line 28 of page 1 of the bill should be replaced with the word "objectives."

The Hackney Amendment

* Sec. 4. AS 06.30.280 is amended by adding a new subsection to read:

(19) provide the service of negotiable order of withdrawal accounts to its depositors under regulations adopted by the department.

FRONTIER INCORPORATORS

P. O. BOX 74320 • FAIRBANKS, ALASKA 99707

February 7, 1980

Honorable Brad Bradley
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Senate Bill # 367 (CSSB 367)

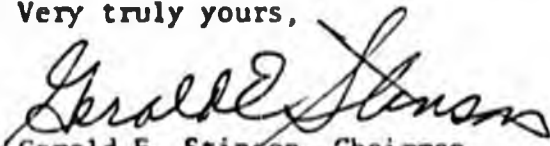
Dear Sir:

I am told that Senate Bill 367 will become CSSB 367 in your committee. I am familiar with the substitute language and Senator Hackney's amendment. I believe that the new language and amendment are superior to the original version of the bill in that the substitute as amended more clearly sets forth the legislative declaration of policy and the mechanism of remedy.

I therefore ask that the bill be reported out as is. Its language will suffice to end the disparity between mutual savings banks and savings and loan associations in their competition for savings dollars, ensuring that both compete on an equal footing.

I am sending a copy of this letter to all members of the Fairbanks delegation along with my request that each of them do whatever he or she can on either the House or Senate side to see that this (substitute) bill moves to the Governor's desk this session. I am also sending a copy hereof to Mr. Julius J. Brecht, Director of Banking, Securities and Corporations for his information and advice.

Very truly yours,



Gerald E. Stinson, Chairman
FRONTIER SAVINGS AND LOAN ASSOCIATION

GES/kr

PENINSULA SAVINGS AND LOAN ASSOCIATION

Eddie J. Turner
President
and Managing Officer

February 12, 1980

Honorable W. E. "Brad" Bradley
Senate Commerce Committee Chairman
Pouch V
Juneau, Alaska 99811

RE: Senate Bill No. 367 - "An act relating to savings associations"

Dear Senator Bradley:


It was indeed a pleasure discussing with you today the worthwhile efforts of the commerce committee.

The referenced senate bill, as approved by the committee, appears to be very satisfactory and indicates the concentrated efforts for proper legislation which is beneficial to the residents of our state.

I have discussed this bill with Mr. Julius Brecht, Director of Banking and it is my understanding that he supports the commerce committees' recommendations. In addition, this bill has also been a subject for conversation with a colleague from the Alaska League of Insured Savings and Loan Associations, Mr. Lee Coffman, who indicated an amicable attitude toward this legislative effort.

The careful consideration of legislative needs for our new state industry, as exhibited by you and your committee members is greatly appreciated. If I can be of further service please let me know.

Sincerely,



Eddie J. Turner

EJT/jt

cc: Julius J. Brecht, Director
L. C. Coffman
File



Official Business

Alaska State Legislature

Senate

Committee on Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

March 4, 1980

Mr. R. T. Hall
Senior Vice President
National Bank of Alaska
Corporate Headquarters
Box 600
Anchorage, AK 99510

Dear Mr. Hall:

We appreciate your comments on Senate Bill 367. After going over this section with our various experts we do agree with you that "those powers generally possessed" are too vague and we have amended that to say "those powers possessed by state chartered associations in other states which the department determines have demonstrated accomplishment of this declaration of policy."

We will be having a Senate Commerce Committee hearing on this bill on March 11 at 8:30 a.m. in the Assembly Building, Room 106. We have numerous other amendments to this bill and we feel that this will satisfy most segments of this industry.

Sincerely,

A handwritten signature in cursive script that reads "Frank P. Lee".

Frank P. Lee
Administrative Assistant
Senate Commerce Committee

bm



PEOPLES BANK & TRUST

POUCH 7007 • 8TH AVENUE AND G STREET • ANCHORAGE, ALASKA 99510
TELEPHONE (907) 279-7511

February 19, 1980

Honorable Brad Bradley, State Senator
Chairman, Senate Commerce Committee
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Mr. Bradley:

Thank you for your letter of February 13, 1980 together with proposed Senate Bill No. 367. I appreciate your bringing this to my attention as we are interested in all legislation that effects the banking industry.

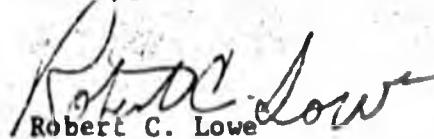
I have reviewed the proposed bill and the code sections which it effects.

With respect to savings and thrift institutions, we as a commercial bank are primarily interested in the legislative trends which seem to be developing a double standard in the banking industry favoring the savings and thrift institutions with preferential rates so as to give them an advantage in the competitive market but at the same time expanding their powers so that the savings and thrift institutions are given all of the powers of the commercial banks. Like other commercial banks, we feel that if the savings and thrift institutions are going to have all the powers of commercial banks, then they should be placed on the same competitive level as commercial banks and not given the preferential interest rates and tax advantages that they now enjoy.

We do appreciate your advising us of this proposed bill and we do not have any comments with respect to it.

Very truly yours,

PEOPLES BANK & TRUST COMPANY


Robert C. Lowe
Chairman

RCL:bwa
0328



Hackney

December 27, 1979

Honorable Glenn Hackney
1136 Sunset Drive
Fairbanks, Alaska 99701

Re: (1) Budget For Division Of Banking, Securities and Corporations, (2) Changes In Chapter 30 (Savings Association Code), and (3) Recodification Of Banking And Savings Association Acts

Dear Sir:

I am Gerald E. Stinson, Chairman of the Board of Directors of Frontier Savings and Loan Association (in organization), a state-chartered stock savings and loan association. I will treat the captioned topics in sequential order after giving a brief background sketch of Frontier Savings and Loan which will establish our interest in seeking the relief (largely remedial) here sought.

Frontier was begun by twenty incorporators, all from Fairbanks. Its stock subscribed to date is subscribed to by approximately 80% Fairbanksans who, counting joint tenants, number over 200 individuals, and that number is growing. It is the first and (to-date) the only state-chartered stock association in Interior Alaska.

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December 27, 1979

Page 2

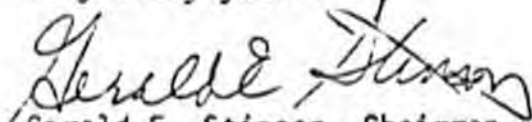
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(3) The last item above captioned would involve a substantial expenditure of legislative time and effort, particularly in committee(s), but needs to be done. Band-aid amendments such as I propose above, though absolutely necessary to prevent injustice, have their limitations. With some exceptions, the provisions of the acts are financial horse and buggy vehicles in a jet age, of poor design and integration, and in need of major overhaul or replacement. Perhaps some model act could serve as a starting point from which committee hearings would tailor it to Alaska's specific situation. Recodification is necessary as the current statutory language, unlike wine, will not improve with age, and since it must be done sometime, I suggest we initiate the process next session. As with the other two items, I believe Mr. Brecht can be very helpful to you in selection of a model code (and appropriate amendments thereto for introduction) and accordingly suggest that you discuss this matter with him prior to or early in the next session.

The suggestions set forth to you in this letter are essentially housekeeping matters not susceptible to partisan points of view. I trust that each of you can and will support and implement such suggestions into concrete legislative action.

If you have any questions pertaining to this letter, please feel free to write or call me (456-6617) at any time.

Very truly yours,



Gerald E. Stinson, Chairman
FRONTIER SAVINGS AND LOAN ASSOCIATION

cc: Julius J. Brecht, Director
Division of Banking and Securities
Charles Parr, Representative
L. W. Stinson, Director
Robert Bettisworth, Representative
William Gordon, Director

*By character of industry
similar to mutual
banking code*

06.15.010

John 12-15-79

AMENDMENT

OFFERED IN THE SENATE:

By: SENATE JUDICIARY COMMITTEE

To: AMEND SENATE BILL No. CSSB 367

HOUSE BILL No. _____

PAGE: 1

LINE: 15 through line 19

Beginning with the word "For" on line 15, delete all material through line 19.

PENINSULA SAVINGS AND LOAN ASSOCIATION

Eddie J. Turner
President
and Managing Officer

February 12, 1980

Honorable W. E. "Brad" Bradley
Senate Commerce Committee Chairman
Pouch V
Juneau, Alaska 99811

RE: Senate Bill No. 367 - "An act relating to savings associations"

Dear Senator Bradley:

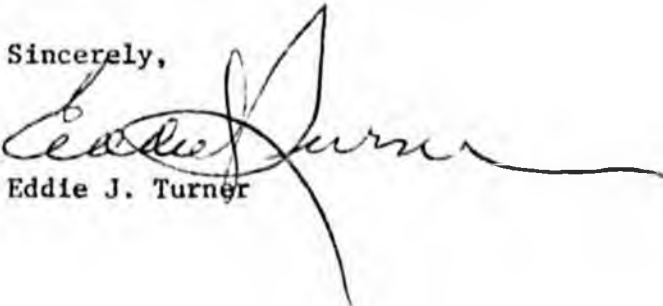
It was indeed a pleasure discussing with you today the worthwhile efforts of the commerce committee.

The referenced senate bill, as approved by the committee, appears to be very satisfactory and indicates the concentrated efforts for proper legislation which is beneficial to the residents of our state.

I have discussed this bill with Mr. Julius Brecht, Director of Banking and it is my understanding that he supports the commerce committees' recommendations. In addition, this bill has also been a subject for conversation with a colleague from the Alaska League of Insured Savings and Loan Associations, Mr. Lee Coffman, who indicated an amicable attitude toward this legislative effort.

The careful consideration of legislative needs for our new state industry, as exhibited by you and your committee members is greatly appreciated. If I can be of further service please let me know.

Sincerely,



Eddie J. Turner

EJT/jt

cc: Julius J. Brecht, Director
L. C. Coffman
File

Pouch 1000
Soldotna, Alaska 99689
907/262-9166
Blazy Mall — Sterling Highway



Official Business

Alaska State Legislature

Senate

Committee on Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

March 4, 1980

Mr. R. T. Hall
Senior Vice President
National Bank of Alaska
Corporate Headquarters
Box 600
Anchorage, AK 99510

Dear Mr. Hall:

We appreciate your comments on Senate Bill 367. After going over this section with our various experts we do agree with you that "those powers generally possessed" are too vague and we have amended that to say "those powers possessed by state chartered associations in other states which the department determines have demonstrated accomplishment of this declaration of policy."

We will be having a Senate Commerce Committee hearing on this bill on March 11 at 8:30 a.m. in the Assembly Building, Room 106. We have numerous other amendments to this bill and we feel that this will satisfy most segments of this industry.

Sincerely,

A handwritten signature in cursive script that reads "Frank P. Lee".

Frank P. Lee
Administrative Assistant
Senate Commerce Committee

bm



PEOPLES BANK & TRUST

POUCH 7007 • 8TH AVENUE AND G STREET • ANCHORAGE, ALASKA 99510
TELEPHONE (907) 278-7511

February 19, 1980

Honorable Brad Bradley, State Senator
Chairman, Senate Commerce Committee
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Mr. Bradley:

Thank you for your letter of February 13, 1980 together with proposed Senate Bill No. 367. I appreciate your bringing this to my attention as we are interested in all legislation that effects the banking industry.

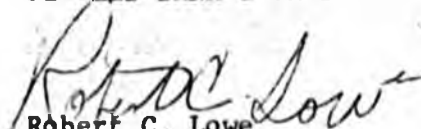
I have reviewed the proposed bill and the code sections which it effects.

With respect to savings and thrift institutions, we as a commercial bank are primarily interested in the legislative trends which seem to be developing a double standard in the banking industry favoring the savings and thrift institutions with preferential rates so as to give them an advantage in the competitive market but at the same time expanding their powers so that the savings and thrift institutions are given all of the powers of the commercial banks. Like other commercial banks, we feel that if the savings and thrift institutions are going to have all the powers of commercial banks, then they should be placed on the same competitive level as commercial banks and not given the preferential interest rates and tax advantages that they now enjoy.

We do appreciate your advising us of this proposed bill and we do not have any comments with respect to it.

Very truly yours,

PEOPLES BANK & TRUST COMPANY


Robert C. Lowe
Chairman

RCL:bwa
0328



Hackney

December 27, 1979

Honorable Glenn Hackney
1136 Sunset Drive
Fairbanks, Alaska 99701

Re: (1) Budget For Division Of Banking, Securities and Corporations, (2) Changes In Chapter 30 (Savings Association Code), and (3) Recodification Of Banking And Savings Association Acts

Dear Sir:

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*Explanation of why
similar to mutual
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06.15.01e

plus 0015 200