

CHAPTER 408

SAVINGS AND LOAN ASSOCIATIONS

H. F. 98

AN ACT to amend the law relating to savings and loan associations so as to bring the requirements of Iowa state chartered associations in line with the federal associations, together with certain supervisory and corrective measures.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred thirty-four point seventeen
2 (534.17), Code 1962, is amended by striking from the end of subsection
3 one (1) the words "of this state" and inserting in lieu thereof the
4 words "so long as the total investment in such corporation does not
5 exceed five percent of the assets of said association".

1 SEC. 2. Section five hundred thirty-four point nineteen (534.19),
2 Code 1962, is amended as follows:
3 1. By striking from lines seven (7) and eight (8) of subsection six
4 (6) the words "three thousand, five hundred" and inserting in lieu
5 thereof the words "five thousand".
6 2. By striking from line fourteen (14) of subsection six (6) the
7 word "five" and inserting in lieu thereof the word "eight".

1 SEC. 3. Section five hundred thirty-four point nineteen (534.19),
2 Code 1962, is amended by adding thereto the following subsections:
3 "*Service corporations.* Any association shall have the power to
4 organize and own, alone or with any other similar corporation, a
5 service corporation for the purpose of owning and operating automa-
6 tion or record-keeping equipment and other functions for the mutual
7 good of said corporations which the corporations could individually
8 do under their own authority.
9 "*Urban renewal investments.* Any association shall have the
10 power to organize or purchase stock in a corporation for the purpose
11 of lending, owning, or constructing property in urban renewal areas,
12 so long as the total investment in such corporation does not exceed
13 five percent of the assets of said association.
14 "*Educational loans.* Any association is authorized to invest in
15 loan, obligations, and advances of credit (all of which are hereinafter
16 referred to in this subsection as 'loans') made for the purpose of
17 expenses of college or university education, but no association shall
18 make any investment in loans under this paragraph if the principal
19 amount of its investment in such loans, exclusive of any investment
20 which is or which at the time of its making was otherwise authorized,
21 would thereupon exceed five percent of its assets. Such loans may be
22 secured, partly secured, or unsecured, and the association may require
23 a comaker or comakers, insurance, guaranty under a governmental
24 student loan guarantee plan, or other protection against contingencies.
25 The borrower shall certify to the association that the proceeds of the
26 loan are to be used by a full-time student solely for the payment of
27 expenses of college or university education. For the purpose of this
28 subsection, the term 'college or university education' means education
29 at an institution which provides an educational program for which it

30 awards a bachelor's degree, or provides not less than a two-year pro-
31 gram which is acceptable for full credit toward such a degree."

1 SEC. 4. Section five hundred thirty-four point twenty-one
2 (534.21), Code 1962, is amended as follows:

3 1. By striking from line two (2) of subsection two (2) the word
4 "twenty-five" and inserting in lieu thereof the word "thirty".

5 2. By striking from lines three (3) and eleven (11) of subsection
6 three (3) the word "thirty-five" and inserting in lieu thereof the word
7 "forty" in each of said lines.

8 3. By striking from line three (3) of paragraph "a" of subsection
9 four (4) the word "thirty-five" and inserting in lieu thereof the word
10 "forty".

1 SEC. 5. Section five hundred thirty-four point forty-one (534.41),
2 Code 1962, is amended by adding after the period in line eleven (11)
3 of subsection two (2) the following:

4 "Such examiners' salaries shall be fixed by the auditor of state sub-
5 ject to the approval of the comptroller and governor, which salaries
6 shall be commensurate with that in the range of other employees as
7 prescribed by certain classifications in accordance with their experi-
8 ence and qualifications. In addition such examiners shall be reim-
9 bursed for their actual and necessary expense."

1 SEC. 6. Section five hundred thirty-four point forty-one (534.41),
2 Code 1962, is amended by striking subsection five (5) and inserting in
3 lieu thereof the following:

4 "Where the examination is made under the provisions of subsection
5 three (3) of this section, each examiner shall file with the auditor of
6 state an itemized, certified and sworn voucher of his expense for the
7 time such examiner is actually engaged in such examination. On the
8 fifteenth and last days of each month each examiner shall file in tripli-
9 cate with the auditor of state a certified statement of the actual days
10 engaged in such examination. The salaries shall be included in a semi-
11 monthly payroll. Upon approval of the auditor of state the state
12 comptroller is hereby authorized to issue warrants for the payment of
13 said vouchers and salary payments, other than vacation or sick leave,
14 from funds appropriated to the savings and loan division. Repayment
15 to the state shall be made as provided by section five hundred thirty-
16 four point sixty-one (534.61) of the Code, subsection four (4)."

1 SEC. 7. Section five hundred thirty-four point forty-one (534.41),
2 Code 1962, is amended by adding after the period in line fourteen (14)
3 of subsection six (6) the following:

4 "However, any evidence of felonious acts on the part of the officers,
5 directors or employees of such association may be referred by the office
6 of the auditor of state to proper authorities."

1 SEC. 8. Section five hundred thirty-four point forty-two (534.42),
2 Code 1962, is amended by striking all after the word "month" in line
3 fourteen (14) and inserting in lieu thereof the following:

4 " , or by such later date of that month as is authorized by the super-
5 visor of savings and loan associations, which shall in no event be later
6 than the twentieth day of a particular month. If, however, such date

7 falls on a Sunday, holiday, or another business day on which the par-
8 ticular association is normally closed, then money received by the next
9 business day shall earn dividends from the first of that month."

1 SEC. 9. Section five hundred sixty-five A point four (565A.4),
2 Code 1962, is hereby amended by inserting after the word "bank" in
3 line nine (9) of subsection seven (7) the following: "or in share
4 accounts in savings and loan associations".

1 SEC. 10. Section five hundred sixty-five A point one (565A.1),
2 Code 1962, is amended by inserting in line ten (10) of subsection
3 twelve (12) after the comma, the following: "or shares invested in
4 savings and loan associations".

Approved April 13, 1965.

CHAPTER 409

SMALL LOAN CONTRACTS

S. F. 146

AN ACT to increase the maximum amount of small loan under chapter five hundred thirty-six (536), Code 1962, to amend other sections of said chapter, and to amend section five hundred thirty-five point six (535.6), Code 1962, relating to penalties for excessive interest.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred thirty-five point six (535.6),
2 Code 1962, is hereby amended by adding thereto the following:
3 "Provided, however, this section shall not apply to lawful loans under
4 chapter five hundred thirty-six (536) of the Code."

1 SEC. 2. Section five hundred thirty-six point one (536.1), Code
2 1962, is hereby amended by striking from lines five (5) and six (6)
3 the words "five hundred" and inserting in lieu thereof the words
4 "one thousand (1000)".

1 SEC. 3. Section five hundred thirty-six point twelve (536.12),
2 Code 1962, is hereby amended by striking from lines nine (9) and
3 ten (10) the words "five hundred" and inserting in lieu thereof the
4 words "one thousand (1000)".

1 SEC. 4. Section five hundred thirty-six point thirteen (536.13),
2 Code 1962, is hereby amended as follows:

3 1. By striking from line two (2) of subsection five (5) the words
4 "five hundred" and inserting in lieu thereof the words "one thousand
5 (1000)".

6 2. By striking from line three (3) of subsection six (6) the words
7 "five hundred" and inserting in lieu thereof the words "one thousand
8 (1000)".

1 SEC. 5. Section five hundred thirty-six point fifteen (536.15),
2 Code 1962, is hereby amended as follows: