

**CHAPTER 1112**  
**POWERS OF SAVINGS AND LOAN ASSOCIATIONS**  
*S.F. 2261*

**AN ACT** relating to the powers of state-chartered savings and loan associations.

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

Section 1. **NEW SECTION. 534.4 CAPITAL CERTIFICATES.** An association may issue and sell, directly or through underwriters, capital certificates which shall represent non-withdrawable capital contributions, and constitute part of the reserves and net worth of the association. The certificates shall have no voting rights, shall be subordinate to all savings accounts, debt obligations and claims of creditors of the association and shall constitute a claim in liquidation against any reserves, surplus and other net worth accounts remaining after the payment in full of all savings accounts, debt obligations and claims of creditors. The capital certificates may be entitled to the payment of earnings prior to the allocation of income to surplus or other net worth accounts of the association and may be issued with a fixed rate of earnings or with a prior claim to distribution of a specified percentage of net income remaining after required allocations to reserves, or a combination thereof. Losses shall be charged against capital certificates only after reserves, surplus and other net worth accounts have been exhausted.

Sec. 2. Section 534.5, subsection 1, Code 1983, is amended to read as follows:

**1. EXCLUSIVENESS OF ACCESS.**

a. Every A member shall have the right to may inspect such the books and records of an association as they pertain to the member's loan or savings investment. Otherwise, the right of inspection and examination of the books and records shall be is limited (a) to the following:

(1) The supervisor or a duly authorized representative as provided in this chapter (b) to persons.

(2) Persons duly authorized to act for the association, and (e) to any.

(3) A federal instrumentality or agency authorized to inspect or examine the books and records of an insured association or of an uninsured member by the federal home loan bank.

b. The accounts and loans of members shall be kept confidential by the association, its directors, officers and employees, and by the supervisor and the supervisor's examiners and representatives, provided that. However, the association may, upon receipt of the written consent of a member, furnish information concerning that member's loans and savings investments to a person who the association has reason to believe intends to use the information in connection with a credit transaction involving the member on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the member. However, written consent of a member is not required for the release of information concerning the member's loans to any of the following:

(1) Another association.

(2) A federal association.

(3) A bank.

- (4) A credit union.
- (5) An industrial loan company.
- (6) A bona fide credit bureau.
- (7) A real estate broker seeking the information in connection with the closing of a loan involving a member.

(8) A person acting in a fiduciary capacity as an agent for the member. ~~No~~

c. A member or any other person shall not have access to the books and records except upon express action and authority of the board of directors.

d. ~~Every~~ An association shall compile prior to its annual meeting, and shall make available to any member upon request of the member, a list by name of the aggregate remuneration paid by the association during the preceding fiscal year to each of the association's five highest paid officers and to each director of the association.

Sec. 3. Section 534.10, Code 1983, is amended to read as follows:

534.10 SAVINGS LIABILITY. The savings liability of an association is not limited, but ~~shall consist~~ consists only of the aggregate amount of share accounts of its members, plus dividends credited to ~~sueh~~ the accounts, less redemption and withdrawal payments. Except as limited by the board of directors ~~from time to time~~, a member may make additions to ~~his~~ the ~~member's~~ share account in ~~sueh~~ the amounts and at ~~sueh~~ the times as ~~he may elect~~ the member elects. Share accounts shall be opened for cash. The members of an association ~~shall are~~ are not be responsible for any losses which its savings liability ~~shall is~~ is not be sufficient to satisfy, and share accounts ~~shall are~~ are not be subject to assessment, nor ~~shall are~~ are the holders thereof be of share accounts liable for any unpaid installments on their accounts. Dividends shall be declared in accordance with ~~the provisions~~ of this chapter. ~~No~~ An association shall ~~not~~ prefer one of its share accounts over any other share account as to the right to participate in dividends as to time or amount, ~~excepting~~ except that an association may classify its savings accounts according to the location of the offices at which the accounts are opened, the character, amount or duration thereof of the accounts, or the regularity of additions thereto to the accounts, and may agree in advance to pay an additional rate of earnings for particular classes of accounts such as a variable rate or bonus for saving larger amounts, or for maintaining ~~sueh~~ savings over a longer period of time or with regularity, as determined by the board of directors; ~~however~~. However, all ~~sueh~~ classes of accounts shall be available to all qualifying members. The board of directors may also determine that earnings shall not be paid on ~~any~~ sueh an account which has a withdrawable value in an amount less than fifty dollars. ~~No~~ Preference between share account members shall ~~not~~ be created with respect to the distribution of assets upon voluntary or involuntary liquidation, dissolution, or winding up of an association. ~~No~~ An association shall ~~have power to~~ not contract with respect to the savings liability in a manner inconsistent with ~~the provisions~~ of this chapter.

Sec. 4. Section 534.17, subsection 1, Code 1983, is amended to read as follows:

1. An association may invest without limit, except as expressly stated, in any of the following securities: (a) ~~in obligations~~

a. Obligations of, or obligations which are guaranteed as to principal and interest by, the United States or this state; (b) ~~in stock~~.

b. Stock of a federal home loan bank of which ~~it~~ the association is eligible to be a member, and in any obligation or consolidated obligations of any federal home loan bank or banks; (c) ~~in stock~~.

c. Stock or obligations of the federal savings and loan insurance corporation; (d) ~~in stock~~.

d. Stock, obligations, or other instruments of the federal national mortgage association, the government national mortgage association, the federal home loan mortgage corporation, or any successor; (e) in demand.

e. Demand time or savings deposits, in or bankers acceptances with any bank or trust company the deposits of which are insured by the federal deposit insurance corporation; (f) in stock.

f. Stock or obligations of any corporation or agency of the United States or this state, or in deposits therewith of the corporation or agency to the extent that such the corporation or agency assists in furthering or facilitating the association's purposes or powers; (g) in savings.

g. Savings accounts of any savings and loan association operating under the provisions of this chapter and of any federal savings and loan association; (h) in bonds, the deposits of which are insured by the federal savings and loan insurance corporation.

h. Bonds, notes, or other evidences of indebtedness which are a general obligation of any a city, village, county, school district, or other municipal or political subdivision so long as the total investment in such corporation under this paragraph does not exceed five percent of the assets of the association, except that any of these investments which are securities or obligations which are evidence of first mortgage liens on real estate are exempt from the five percent limitation; (i) in bonds.

i. Bonds secured by an interest in real estate; (j) in capital.

j. Capital stock, obligations, or other securities of service corporations, provided that the aggregate investment in service corporations shall not exceed five percent of the assets of the association at any time prior to July 1, 1983, or six percent of assets on or after July 1, 1983 and prior to July 1, 1984, or seven percent of assets of the association on or after July 1, 1984, and prior to July 1, 1985, or eight percent of assets on or after July 1, 1985 and prior to July 1, 1986, or nine percent of assets on or after July 1, 1986 and prior to July 1, 1987, or ten percent of assets at any time on or after July 1, 1987; and (k) in an.

k. An open end management investment company registered under the federal Investment Company Act of 1940, the portfolio of which is restricted to investments in which an association may invest.

Sec. 5. Section 534.19, subsection 7, Code 1983, is amended to read as follows:

7. POWER TO BORROW. If and when Except as provided by its articles of incorporation, an association is not a member of a federal home loan bank, it shall have power to may borrow not more than an aggregate amount equal to one-fourth of its savings liability on the date of borrowing. If and when an association is a member of a federal home loan bank, it shall have power to secure advances of not more than an aggregate amount equal to one-half of its savings liability. Within such amount equal to one-half of its savings liability, the association may borrow from sources other than such federal home loan bank an aggregate amount not in excess of ten percent of its savings liability. A subsequent reduction of savings liability shall not affect in any way outstanding obligations for borrowed money. All such loans and advances may be secured by property of the association. In addition to the above unsecured or secured borrowing, an association may issue such notes, bonds, debentures and other obligations or securities, except capital stock, as are approved by the supervisor of savings and loan associations, and if authorized by the regulations of the federal home loan bank, as long as the total amount of funds borrowed under this sentence shall not exceed five percent of the withdrawable accounts of the association and provided that such. However, the obligations and securities shall be are subject to the priority of the rights of the owners of the savings and deposits of said the association.

Sec. 6. Section 534.19, subsection 13, Code 1983, is amended to read as follows:

13. CONSUMER LOANS AND CERTAIN SECURITIES. An association may make consumer loans as defined in chapter 537, subject to the consumer loan provisions of that chapter. An association may invest in, sell, or hold commercial paper, corporate debt securities and bankers acceptances. ~~The aggregate amount of such loans and investments at any time may not exceed twenty percent of the assets of the association. However, this authority is available only for periods of time when federally chartered savings and loan associations operating in this state are granted similar authority, and the state authorization is subject to the rights and limitations imposed upon the federally chartered associations for this type of activity.~~

Sec. 7. Section 534.79, subsection 6, Code 1983, is amended to read as follows:

6. BALLOON PAYMENTS. An association shall mail to the borrower an offer to refinance a balloon payment under a loan at least twenty days prior to the balloon payment date if at that time no payments under the loan are delinquent. ~~Such~~ The offer shall be at an interest rate no greater than one percent per annum above the index rate, and with monthly payments no greater than those necessary to fully amortize the amount of the balloon payment plus interest over a term ending thirty years after the first loan to the borrower secured by the real estate securing the loan to be refinanced, and which, when added together with the term representing the number of monthly payments made prior to the most recent notice to refinance, is not less than the original loan term. The association must offer to the borrower a term of at least one year before the next balloon payment. Where the balloon payment is due one month after the preceding monthly payment date, the association may require the borrower to make a payment equal to the preceding monthly payment on the balloon payment date if the first payment under the note to refinance the balloon note is one month after the balloon payment date. The association may offer repayment plans to refinance a balloon payment in addition to the plan required by this subsection. For purposes of this subsection the term "loan" means as defined in section 535.8, subsection 1; the term "balloon payment" means a payment which is more than three times as big as the mean average of the payments which precede it; and the term "index rate" means the national average mortgage contract rate for major lenders on the purchase of previously occupied homes which is most recently published in final form by the federal home loan bank board one month prior to the date on which the balloon payment is due.

Sec. 8. NEW SECTION. 534.98 NAME. The name of an association shall contain the words "savings bank" or the words "savings and loan association".

Sec. 9. Section 534.15, Code 1983, is repealed.

Approved April 19, 1984

**CHAPTER 1113****STATE HISTORIC BUILDING CODE***S.F. 2121*

**AN ACT** relating to the establishment of a state historic building code.

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

Section 1. Section 103A.3, Code 1983, is amended by adding the following new subsection:

**NEW SUBSECTION. 24.** "State historic building code" means the alternative building regulations and building standards for certain historic buildings provided for in section 103A.24.

Sec. 2. **NEW SECTION. 103A.24 STATE HISTORIC BUILDING CODE.** The commissioner, with the approval of the state historic building code advisory board established by section 103A.27, shall adopt, in accordance with chapter 17A, alternative building standards and building regulations for the rehabilitation, preservation, restoration (including related reconstruction) and relocation of buildings or structures designated by state agencies or governmental subdivisions as qualified historic buildings which are included in, or appear to meet criteria for inclusion in, the national register of historic places. The alternative building standards and building regulations comprise and shall be known as the state historic building code. The purpose of the state historic building code is to facilitate the restoration or change of occupancy of qualified historic buildings or structures so as to preserve their original or restored architectural elements and features and, concurrently, to provide reasonable safety from fire and other hazards for the occupants and users, through a cost-effective approach to preservation.

Sec. 3. **NEW SECTION. 103A.25 DESIGNATION OF QUALIFIED HISTORIC BUILDINGS AND STRUCTURES.**

1. A state agency or governmental subdivision may designate as appropriate for the application of the state historic building code those buildings, structures and collections of structures subject to its jurisdiction for which the state historic preservation officer, in response to an adequately documented request, has issued an opinion affirming that the property is either included in or appears to meet criteria for inclusion in the national register of historic places. A building, structure or collection of structures so designated is a qualified historic building or structure for purposes of sections 103A.24 through 103A.28.

2. As used in this section, "buildings, structures and collections of structures" includes their associated sites.

Sec. 4. **NEW SECTION. 103A.26 APPLICATION OF STATE HISTORIC BUILDING CODE AS ALTERNATIVE.**

1. The state historic building code constitutes a lawful alternative building code for application by state agencies and governmental subdivisions as provided in subsections 2 and 3.

2. A state agency may apply the provisions of the state building code or of the state historic building code, or any combination of the two, in providing reasonable safety from fire and