

Sec. 5. INTEGRATION OF AGRICULTURAL HEALTH AND SAFETY SERVICE PILOT PROGRAMS.

The Iowa agricultural health and safety pilot program established as part of the college of medicine of the university of Iowa to provide comprehensive occupational health and safety services to persons engaged in farming pursuant to 1987 Iowa Acts, chapter 233, section 408, subsection 2, paragraph "a", subparagraph (2), as modified by 1989 Acts, chapter 304, section 802, shall be integrated under the administration of the center for agricultural health and safety established under section 262.72.

Approved April 27, 1990

CHAPTER 1208

SAVINGS AND LOAN ASSOCIATIONS

H.F. 658

AN ACT relating to savings and loan associations and their regulation by the superintendent of savings and loans.

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

Section 1. Section 534.102, subsection 23, Code 1989, is amended by striking the subsection.

Sec. 2. Section 534.108, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Every association shall file with the superintendent all monthly, quarterly, and annual reports required by and filed with the federal home loan bank board.

Sec. 3. **NEW SECTION.** 534.113 REFERENCES TO UNITED STATES CODE AND REGULATIONS.

All references in this chapter to the United States Code and regulations adopted pursuant to the United States Code refer to the United States Code and regulations as amended to and including January 1, 1990.

Sec. 4. Section 534.203, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A loan made by an association must be authorized by lending policies approved by the association's board of directors and made available to the superintendent upon request.

Sec. 5. Section 534.205, subsection 6, Code 1989, 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~~ before the balloon payment date if at that time no payments under the loan are delinquent. 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 which, when added together with the term representing the number of monthly payments made ~~prior to~~ before 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~~ If 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 the same 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~~ not more than four months before the date on which the balloon payment is due, or, alternatively, a rate based upon any other independently verifiable index approved by the superintendent.

Sec. 6. Section 534.207, subsection 1, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For the purposes of this subsection, "residential real estate" means real estate on which there is located, or within three years will be located following the construction of improvements financed by a real estate loan, a structure or structures designed or used primarily to provide living accommodations for people, except structures which are designed primarily to provide accommodations for transients.

Sec. 7. Section 534.212, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. An association taking any such actions shall notify the superintendent of the action or actions taken.

Sec. 8. Section 534.213, subsection 1, paragraph i, Code 1989, is amended to read as follows:

i. Bonds or bond instruments secured by an interest in real estate.

Sec. 9. Section 534.213, subsection 1, paragraph j, Code 1989, is amended to read as follows:

j. Capital stock, obligations, or other securities of service corporations; ~~provided that however,~~ the aggregate investment in service corporations shall not exceed ~~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 the assets at any time on or after July 1, 1987~~ of the association.

Sec. 10. Section 534.213, subsection 1, paragraph k, Code 1989, is amended to read as follows:

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; ~~however,~~ the association's total investment in the shares of any one such company shall not exceed five percent of the association's assets without prior notification of the superintendent, who may prohibit exceeding the five percent limit by order.

Sec. 11. Section 524.213,* subsection 1, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. p. Commercial paper and corporate debt securities with investment characteristics as defined by rules adopted by the superintendent.

Sec. 12. Section 534.302, subsection 8, Code 1989, is amended to read as follows:

8. PAY ON DEATH ACCOUNTS. Any association and any federal savings and loan association may issue savings accounts in the name of one or more persons with the provision that upon the death of the owner or owners the proceeds shall be the property of the person or persons designated by the owner or owners and shown by the record of the association; ~~but.~~ After payment by the institution, the proceeds shall be remain subject to the debts of the decedent and the payment of Iowa inheritance tax, if any; provided, however, that six months after the date of the death of the owner the receipt or acquittance of the person so designated shall be a valid and sufficient release and discharge of the association for the delivery of the

*Section 534.213 probably intended

savings account or the payment so made. An institution paying the person or persons designated shall not be liable as a result of that action for any debts of the decedent or for any estate, inheritance, or succession taxes which may be due this state.

Sec. 13. Section 534.403, subsection 2, Code 1989, is amended to read as follows:

2. EXPENSES, PER DIEM, VACATION, AND SICK LEAVE. If the examination is made under section 534.401, subsection 3, each examiner shall file with the superintendent an itemized, certified, and sworn voucher of the examiner's expense for the time the examiner is actually engaged in an examination. On the fifteenth and last days of each month each examiner shall file in triplicate with the superintendent a certified statement of the actual days engaged in examinations. The salaries shall be included in a ~~biweekly~~ two-week payroll period. Upon approval of the superintendent, the director of revenue and finance is authorized to issue warrants for payment of the vouchers and salaries, including a prorated amount for vacation and sick leave, from the savings and loan revolving fund. Repayment to the state shall be made as provided by section 534.408, subsection 4. Savings and loan examiners shall be paid salaries at rates commensurate with, and shall be reimbursed for meals and lodging at the same rate and in the same manner as, that which is received by federal examiners operating under the federal home loan bank board.

Sec. 14. Section 534.403, subsection 3, Code 1989, is amended to read as follows:

3. RECORD REQUIRED. A record of ~~each examination~~ all examinations, reports, and related information shall be kept in the superintendent's office, showing in detail as to each association all matters connected with the conduct of the its business, its financial standing, and every-thing touching its solvency, plan of business, and integrity.

The examinations, and reports, and ~~other information connected with them,~~ shall be kept confidential in the office of the superintendent, and are not subject to publication or disclosure to others except as provided in this chapter ~~provided.~~ However, ~~any~~ the superintendent may furnish any examination, report, or information to the federal savings and loan insurance corporation, federal deposit insurance corporation, or a successor deposit insurance instrumentality, federal home loan bank board, or financial institution regulatory authorities of any state. Any evidence of felonious acts on the part of the officers, directors, or employees of an association may be referred by the superintendent to proper authorities. Members of associations, other than their officers and directors, are not entitled to inspection of any such records or information, and are not entitled to any information relative to the names of the members of an association, or the amounts invested by them, as disclosed in the superintendent's office, or in the records of an association.

Sec. 15. Section 534.405, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Actions taken by the superintendent under this section are not subject to section 17A.18, subsection 3.

Sec. 16. Section 534.507, Code 1989, is amended to read as follows:

534.507 NAME.

The name of an association shall contain the words "savings bank" or the words "savings and loan association". An association shall not advertise or hold itself out to the public as a commercial bank; however, a corporate name, logo, or signage existing on January 1, 1989, depicting the name of the association may be used for as long as the association chooses to continue to use the name, logo, or signage existing on that date.

Sec. 17. Section 534.511, subsection 2, Code 1989, is amended to read as follows:

2. TYPES AUTHORIZED. An association may merge only with one or more other state associations, federal associations, association holding companies, bank holding companies, or banks.

Sec. 18. NEW SECTION. 534.518 DISSOLUTION.

The dissolution of an association shall be conducted pursuant to procedures approved by the superintendent. Upon dissolution, the association shall surrender its certificate of authority to the superintendent, and the superintendent shall publish notice of the dissolution in a newspaper of general circulation in the county of the home office of the association.

Sec. 19. NEW SECTION. 534.519 MUTUAL HOLDING COMPANIES.

1. An association may reorganize as a mutual holding company in the manner and with the effect provided in the federal National Housing Act of 1934, 12 U.S.C. § 1730a(s). The mutual holding company may engage in activities permitted by the federal National Housing Act of 1934, 12 U.S.C. § 1730a(s). For purposes of 12 U.S.C. § 1730a(s)(5)(D), investments in service corporations shall be deemed available for purchase without regard to the limitation contained in section 534.213, subsection 1, paragraph "j", on the amount of such investments.

2. A mutual holding company shall be deemed a mutual association for purposes of sections 534.401, 534.403, 534.501, 534.502, 534.503, 534.505, 534.509, 534.510, 534.511, 534.512, 534.513, 534.514, 534.601, 534.602, 545.603,* 534.604, 534.605, 534.606, 534.701, 534.702, 534.703, 534.704, and 534.705.

3. Except as otherwise provided in this chapter, a mutual holding company has all powers set forth in section 496A.4.

4. The superintendent may adopt rules pursuant to chapter 17A pertaining to mutual holding companies.

5. Proxies of the association shall continue in force as proxies of the mutual holding company.

Sec. 20. Section 534.605, subsection 2, Code 1989, is amended to read as follows:

2. To make a real estate loan or real estate contract to a director, officer, or employee of the association, or to ~~any~~ an attorney or firm of attorneys, regularly serving the association in the capacity of attorney at law, or to ~~any~~ a partnership in which ~~any~~ such a director, officer, employee, attorney, or firm of attorneys has ~~any~~ an interest, ~~and~~ no ~~without the prior notification of the superintendent, fifteen days prior to closing the loan or executing the contract, who may prohibit the proposed transaction by order.~~ A real estate loan or real estate contract shall not be made to any a corporation in which any of such the parties are stockholders, except that with the prior approval of its board of directors a real estate loan or real estate contract may be made to a corporation in which ~~no~~ such a party owns no more than fifteen percent of the total outstanding stock and in which the stock owned by all such the parties does not exceed twenty-five percent of the total outstanding stock. ~~Provided, that nothing herein shall~~ However, this section does not prohibit an association from making loans pursuant to sections 534.202 and 534.208 and loans on the security of a first lien on the home property or mobile home owned and occupied by a director, officer, or employee of an association, or by an attorney or member of a firm of attorneys regularly serving the association in the capacity of attorney at law upon a two-thirds vote of the directors, the interested director not voting.

A loan made to an affiliated party is subject to the association's normal lending policies and procedures, and shall be approved by a two-thirds vote of the directors, the interested director not voting.

Approved April 27, 1990

*534.603 probably intended