

FILED FEB 1 1980

SENATE FILE 2121

By COMMITTEE ON COMMERCE  
*approved 1/21 (p. 273)*  
(Formerly Senate Study Bill 2100)

*Substituted for H. F. 2454*

Passed Senate, Date 2-7-80 (p. 360) Passed House, Date 2-21-80 (p. 121)

Vote: Ayes 27 Nays 7 Vote: Ayes 92 Nays 3

Approved March 13, 1980  
*motion to reconsider 2/20 w/d 2/22*

## A BILL FOR

1 An Act relating to the powers of savings and loan associations.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section five hundred thirty-four point eleven  
2 (534.11), Code 1979, is amended by adding the following new  
3 subsection:

4 NEW SUBSECTION. NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS.  
5 Associations may offer accounts under which account owners  
6 may order or authorize the withdrawal of a specified amount  
7 of the account by means of cash or a negotiable or  
8 nonnegotiable check or similar instrument payable to the  
9 account owner or to third parties or their order for the  
10 benefit of the account owner. However, this authority is  
11 available only for periods of time when federally chartered  
12 savings and loan associations operating in this state are  
13 granted similar authority, and the state authorization is  
14 subject to the rights and limitations imposed upon the  
15 federally chartered associations for this type of activity.

16 EXPLANATION

17 This bill would give to savings and loan associations or-  
18 ganized under chapter 534 of the Code the right to offer to  
19 account holders so-called "NOW accounts". These accounts  
20 would be subject to withdrawals by negotiable orders of with-  
21 drawal, which function somewhat similarly to checks drawn  
22 against checking accounts in banks. However, the authority  
23 is restricted so that it is available only if federally  
24 chartered savings and loan associations operating in this  
25 state obtain NOW account authority under federal law, and  
26 the extent of the authority is limited to that obtained by  
27 federal institutions. Presumably the supervisor of savings  
28 and loan associations would issue rules governing the use  
29 of NOW accounts if federal institutions obtain NOW account  
30 authority.

31 The bill would take effect July first following enactment,  
32 but as indicated the authority could not be used unless fed-  
33 eral institutions obtain such authority.

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SENATE FILE 2121

H-5258

- 1 Amend Senate File 2121 as follows:  
2 1. Page 1, by inserting before line 1, the  
3 following:  
4 "Section 1. Section five hundred thirty-three  
5 (533), Code 1979, is amended by adding the following  
6 new section:  
7 NEW SECTION. NEGOTIABLE ORDER OF WITHDRAWAL  
8 ACCOUNTS. Credit unions may offer accounts under  
9 which account owners may order or authorize the  
10 withdrawal of a specified amount of the account by  
11 means of cash or a negotiable or nonnegotiable check  
12 or similar instrument payable to the account owner  
13 or to third parties or their order for the benefit of  
14 the account owner. However, this authority is  
15 available only for periods of time when federally  
16 chartered savings and loan associations operating in  
17 this state are granted similar authority, and the  
18 state authorization is subject to the rights and  
19 limitations imposed upon the federally chartered  
20 associations for this type of activity."  
21 2. Renumber sections as necessary.  
22 3. Amend the title, line 1, by inserting  
23 after the word "associations" the words "and credit  
24 unions".

H-5258 FILED *Filed no german 2/21 (620)* BY WELLS of Linn  
FEBRUARY 19, 1980

SENATE FILE 2121

H-5277

- 1 Amend the Wells amendment H-5258 to Senate File  
2 2121 as follows:  
3 1. Page 1, line 6, by striking the word "section"  
4 and inserting in lieu thereof the word "sections".  
5 2. Page 1, by inserting after line 20 the follow-  
6 ing:  
7 "NEW SECTION. RESERVE REQUIREMENTS. The reserve  
8 requirement for credit union negotiable order of  
9 withdrawal accounts shall be the same as the reserve  
10 requirements for credit union share draft programs."

H-5277 FILED FEBRUARY 21, 1980 BY CHIODO of Polk  
ADOPTED 2/21 (7 620)

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.

\_\_\_\_\_  
TERRY E. BRANSTAD  
President of the Senate

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WILLIAM H. HARBOR  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2121, Sixty-eighth General Assembly.

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FRANK J. STORK  
Secretary of the Senate

Approved March 13, 1980

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ROBERT D. RAY  
Governor

SENATE FILE 2121

AN ACT  
RELATING TO THE POWERS OF SAVINGS AND LOAN ASSOCIATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section five hundred thirty-four point eleven (534.11), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS.  
Associations may offer accounts under which account owners may order or authorize the withdrawal of a specified amount of the account by means of cash or a negotiable or nonnegotiable check or similar instrument payable to the account owner or to third parties or their order for the benefit of the account owner. However, this authority is available only for periods of time when federally chartered savings and loan associations operating in this state are