

Reprinted

21 1991

494

SENATE FILE
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSH 325)

Passed Senate, Date 3/26/91 (p. 854) Passed House, Date 4/16/91 (p. 1282)
Vote: Ayes 50 Nays 0 Vote: Ayes 98 Nays 0
Approved May 1, 1991

A BILL FOR

1 An Act relating to the transfer of the regulatory authority of
2 the superintendent of savings and loan associations to the
3 director of the department of commerce and the superintendent
4 of banking.

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

SENATE FILE 494

S-3177

- 1 Amend Senate File 494 as follows:
- 2 1. By striking page 10, line 26, through page 11,
- 3 line 1.

By GEORGE R. KINLEY

S-3177 FILED MARCH 25, 1991

Adopted 3/26 (p. 854)

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1 Section 1. Section 527.3, subsection 1, Code 1991, is
2 amended to read as follows:

3 1. For purposes of this chapter the superintendent of
4 banking only ~~shall have~~ has the power to issue rules
5 applicable to, to accept and approve or disapprove
6 applications or informational statements from, to conduct
7 hearings and revoke any approvals relating to, and to exercise
8 all other supervisory authority created by this chapter with
9 respect to banks; the superintendent of savings and loan
10 associations only shall have and exercise such powers and
11 authority with respect to savings and loan associations; the
12 superintendent of credit unions only ~~shall have and exercise~~
13 has such powers and authority with respect to credit unions;
14 and the superintendent of banking or the superintendent's
15 designee only ~~shall have and exercise~~ has such powers and
16 authority with respect to industrial loan companies.

17 Sec. 2. Section 534.102, subsection 12, Code 1991, is
18 amended to read as follows:

19 12. "Insured", when used in conjunction with the words
20 "association", "state association", "foreign association", or
21 "federal association", means an institution whose deposits are
22 insured in part by the ~~federal savings and loan~~ savings
23 association insurance fund of the federal deposit insurance
24 corporation or another insurance plan approved by the
25 superintendent.

26 Sec. 3. Section 534.102, subsection 28, Code 1991, is
27 amended to read as follows:

28 28. "Superintendent" means the superintendent of savings
29 and loan associations who is the director of the department of
30 commerce.

31 Sec. 4. Section 534.103, subsection 1, Code 1991, is
32 amended to read as follows:

33 1. GENERAL CORPORATE POWER. To sue and be sued, complain
34 and defend in any court of law or equity; to purchase,
35 acquire, hold, and convey real and personal estate consistent

1 with its objects and powers; to mortgage, pledge, or lease any
2 real or personal estate owned by the association and to
3 authorize ~~such a~~ pledgee to repledge ~~same~~ the property; to
4 take property by ~~gifts~~ gift, devise, or bequest; to have a
5 corporate seal, which may be affixed by imprint, facsimile, or
6 otherwise; to appoint officers, agents, and employees as its
7 business ~~shall-require~~ requires and allow them suitable
8 compensation; to provide for life, health, and casualty
9 insurance for its officers and employees and to adopt and
10 operate reasonable bonus plans and retirement benefits for
11 ~~such the~~ officers and employees to enter into payroll savings
12 plans; to adopt and amend bylaws; to insure its accounts with
13 the ~~federal-savings-and-loan~~ savings association insurance
14 fund of the federal deposit insurance corporation and qualify
15 as a member of a federal home loan bank; to become a member
16 of, deal with, or make contributions to any organization to
17 the extent that ~~such the~~ organization assists in furthering or
18 facilitating the association's purposes or powers and to
19 comply with conditions of membership; to accept savings as
20 provided in this chapter together with ~~such~~ other powers as
21 ~~are~~ otherwise expressly provided for in this chapter, together
22 with ~~such~~ implied powers as ~~are~~ reasonably necessary for the
23 purpose of carrying out the express powers granted in this
24 chapter.

25 Sec. 5. Section 534.111, Code 1991, is amended to read as
26 follows:

27 534.111 RIGHTS OF FEDERAL ASSOCIATIONS -- RECIPROCITY.

28 Every federal savings and loan association incorporated
29 under the ~~provisions-of~~ Home Owners' Loan Act of 1933, {12
30 U.S.C. § 1461-1468}, as ~~now-or-hereafter~~ amended, and the
31 holders of share accounts issued by any such association ~~shall~~
32 have all the rights, powers, and privileges and ~~shall-be~~ are
33 entitled to the same exemptions and immunities, as savings and
34 loan associations organized under the laws of this state and
35 members thereof are entitled.

1 Every association organized under this chapter has all the
2 rights, powers, and privileges not in conflict with the laws
3 of this state, which are conferred upon federal savings and
4 loan associations by the Home Owners' Loan Act of 1933, 12
5 U.S.C. § 1464, and conferred by regulations adopted by the
6 federal home loan bank board and the federal ~~savings-and-loan~~
7 ~~insurance-corporation~~ office of thrift supervision.

8 Sec. 6. Section 534.112, Code 1991, is amended to read as
9 follows:

10 534.112 REGULATORY CAPITAL.

11 An association shall maintain regulatory capital in the
12 amount required by regulations of the federal ~~savings-and-loan~~
13 ~~insurance-corporation~~ office of thrift supervision. For the
14 purpose of this section, "regulatory capital" means the sum of
15 all reserve accounts (except specific reserves established to
16 offset actual or anticipated losses), undivided profits,
17 surplus, capital stock, and any other nonwithdrawable
18 accounts.

19 Sec. 7. Section 534.205, subsection 1, Code 1991, is
20 amended to read as follows:

21 1. APPRAISAL. A qualified person shall conduct an
22 inspection of the property securing the loan and submit a
23 signed appraisal of the market value of that property;
24 ~~provided-that.~~ However, an appraisal is only required where
25 if the loan is secured by a first lien. An appraisal must
26 conform to the standards promulgated by the federal office of
27 thrift supervision as mandated by Title XI of the federal
28 Financial Institutions Reform, Recovery, and Enforcement Act
29 of 1989.

30 Sec. 8. Section 534.213, subsection 1, paragraph c, Code
31 1991, is amended by striking the paragraph.

32 Sec. 9. Section 534.213, subsection 1, paragraph g, Code
33 1991, is amended to read as follows:

34 g. Savings accounts of any savings and loan association
35 the deposits of which are insured by the federal ~~savings-and~~

1 ~~loan deposit~~ insurance corporation.

2 Sec. 10. Section 534.214, subsection 5, Code 1991, is
3 amended to read as follows:

4 5. DEFINITIONS. For purposes of this section an "insured
5 bank" is a bank whose deposits are insured in part by the bank
6 insurance fund of the federal deposit insurance corporation; a
7 "bank service corporation" is as defined by, and in accordance
8 with, the laws of the United States, and the "superintendent
9 of banking" is the person appointed pursuant to section
10 524.201.

11 Sec. 11. Section 534.301, subsection 6, Code 1991, is
12 amended to read as follows:

13 6. OPERATING UNDER FEDERAL RULES AS TO DEPOSITS AND
14 INTEREST. A savings and loan association operating under this
15 chapter may operate in a manner similar to federally chartered
16 savings and loan associations regarding the use of the terms
17 "deposit" and "interest" and with such other powers as have
18 been authorized to federally chartered associations under the
19 Homeowners Loan Act of 1933, ~~Title 12, section 1464, United~~
20 ~~States-Code~~ U.S.C. § 1464, and as permitted under the rules
21 and regulations of the federal home loan bank system and
22 ~~federal-savings-and-loan-insurance-corporation~~ the federal
23 office of thrift supervision, to the extent that similar rules
24 and regulations have been adopted by the superintendent and
25 have been filed with the secretary of state. This subsection
26 ~~shall~~ does not diminish or restrict the powers otherwise
27 granted to such association by the laws of Iowa.

28 The adoption and filing of such rules or regulations by the
29 superintendent shall not diminish or restrict the rights of
30 associations which do not make the above determination.

31 Sec. 12. Section 534.401, Code 1991, is amended to read as
32 follows:

33 534.401 DIVISION OF SAVINGS AND LOAN ASSOCIATIONS.

34 1. DIVISION OF SAVINGS AND LOAN ASSOCIATIONS CREATED --
35 SUPERINTENDENT. A savings and loan association division is

1 created within the department of commerce. The superintendent
2 of savings and loan associations is the chief administrative
3 officer of the division. ~~The governor shall appoint the~~
4 ~~superintendent subject to confirmation by the senate. The~~
5 ~~superintendent shall serve a four-year term. The term begins~~
6 ~~and ends as provided in section 69-19. A vacancy in an~~
7 ~~unexpired term shall be filled in the same manner as a full-~~
8 ~~term appointment is made. The superintendent shall have at~~
9 ~~least five years' practical experience in savings and loan~~
10 ~~management, examination, or supervision. The superintendent's~~
11 ~~salary shall be set by the governor within a range set by the~~
12 ~~general assembly. The superintendent is entitled to actual~~
13 ~~expenses incurred in the performance of the superintendent's~~
14 ~~duties.~~

15 2. GENERAL SUPERVISORY POWER. The superintendent has
16 general supervision over all supervised organizations.

17 The superintendent may appoint examiners and assistants
18 necessary to properly execute the duties of the office. An
19 ~~examiner shall have had at least one year of actual experience~~
20 ~~as examiner, officer, or employee, of a savings and loan~~
21 ~~association. The examiners' salaries shall be fixed by the~~
22 ~~superintendent subject to the approval of the director of~~
23 ~~management and governor, which salaries shall be commensurate~~
24 ~~with those in the range of other employees as prescribed by~~
25 ~~certain classifications in accordance with their experience~~
26 ~~and qualifications. In addition the examiners shall be~~
27 ~~reimbursed for their actual and necessary expense.~~

28 Before entering upon their duties, the superintendent and
29 each examiner appointed by the superintendent shall take an
30 oath of office and shall each give bond to the state, signed
31 by a responsible surety company, in the penal sum of two
32 thousand dollars, conditioned upon faithful and impartial
33 discharge of the person's duty and on proper accounting for
34 all funds and other valuables which may come into the person's
35 hands. The bonds shall be approved by and filed with the

1 auditor of state, together with oaths of office of the
2 officers.

3 The superintendent may adopt further rules deemed necessary
4 to enable savings and loan associations to properly carry on
5 the activities authorized under this chapter.

6 3. DUTIES. The superintendent shall, at least once each
7 year, cause examination and audit to be made of the affairs of
8 every association subject to this chapter. If an association
9 is insured under Title IV of the National Housing Act, 12
10 U.S.C. ch. 13, the superintendent may, in lieu of examination
11 and audit, accept an examination or audit made by the federal
12 savings-and-loan-insurance-corporation office of thrift
13 supervision. An association may, in lieu of examination and
14 audit by the superintendent, at the option of the
15 superintendent be audited by a certified public accountant, or
16 by a public accountant qualified and licensed to practice
17 accountancy under the Code of Iowa. At least two copies of
18 each examination or audit report, signed and verified by the
19 accountant making it, shall promptly be filed with the
20 superintendent. When, in the judgment of the superintendent,
21 the condition of an association renders it necessary or
22 expedient to make an extra examination or audit or to devote
23 extraordinary attention to its affairs, the superintendent
24 shall cause such work to be done. A copy of every examination
25 or audit report shall be furnished to the association
26 examined, exclusive of confidential comments made by the
27 examiner, and a copy of every report and comments and any
28 other information pertaining to an association may be
29 furnished to the federal home loan bank board, federal home
30 loan bank, and federal savings-and-loan-insurance-corporation
31 office of thrift supervision. A copy of an examination or
32 audit report shall be presented to the board of directors at
33 its next regular or special meeting, their action on it shall
34 be recorded in the minutes, and two certified copies of the
35 minutes shall be transmitted to the superintendent.

1 4. SUPERINTENDENT'S ANNUAL REPORT. The superintendent, as
2 of December 31 of each year, shall prepare and publish a
3 report showing in general terms the condition of all savings
4 and loan associations doing business in this state, and
5 containing other general information as in the
6 superintendent's judgment seems desirable. The reports shall
7 also list the names of all examiners and other assistants
8 employed appointed by the superintendent, together with their
9 respective salaries and expenses, shall list all receipts from
10 savings and loan associations, and shall show all expenditures
11 made on account of the supervision and examination of the
12 associations.

13 Sec. 13. Section 534.403, subsections 2 and 3, Code 1991,
14 are amended to read as follows:

15 2. EXPENSES, PER DIEM, VACATION, AND SICK LEAVE. If the
16 examination is made under section 534.401, subsection 3, each
17 examiner shall file with the superintendent an itemized,
18 certified, and sworn voucher of the examiner's expense for the
19 time the examiner is actually engaged in an examination. On
20 the fifteenth and last days of each month each examiner shall
21 file in triplicate with the superintendent a certified
22 statement of the actual days engaged in examinations. The
23 salaries shall be included in a two-week payroll period. Upon
24 approval of the superintendent, the director of revenue and
25 finance is authorized to issue warrants for payment of the
26 vouchers and salaries, including a prorated amount for
27 vacation and sick leave, ~~from the savings and loan receiving~~
28 fund. Repayment to the state shall be made as provided by
29 section 534.408, subsection 4. Savings and loan examiners
30 shall be paid salaries at rates commensurate with, and shall
31 be reimbursed for meals and lodging at the same rate and in
32 the same manner as, that which is received by federal
33 examiners operating under the federal home loan bank board.
34 3. RECORD REQUIRED. A record of all examinations,
35 reports, and related information shall be kept in the

1 superintendent's office, showing in detail as to each
2 association all matters connected with the conduct of its
3 business, its financial standing, and everything touching its
4 solvency, plan of business, and integrity.

5 The examinations, reports, and information shall be kept
6 confidential in the office of the superintendent, and are not
7 subject to publication or disclosure to others except as
8 provided in this chapter. However, the superintendent may
9 furnish any examination, report, or information to the federal
10 ~~savings-and-loan-insurance-corporation~~ office of thrift
11 supervision, federal deposit insurance corporation, or a
12 successor deposit insurance instrumentality, federal home loan
13 bank board, or financial institution regulatory authorities of
14 any state. Any evidence of felonious acts on the part of the
15 officers, directors, or employees of an association may be
16 referred by the superintendent to proper authorities. Members
17 of associations, other than their officers and directors, are
18 not entitled to inspection of any such records or information,
19 and are not entitled to any information relative to the names
20 of the members of an association, or the amounts invested by
21 them, as disclosed in the superintendent's office, or in the
22 records of an association.

23 Sec. 14. Section 534.405, unnumbered paragraph 6, Code
24 1991, is amended to read as follows:

25 If the association has the insurance protection provided by
26 Title IV of the National Housing Act, 12 U.S.C. ch. 13, a
27 signed and sealed copy of each order and certificate mentioned
28 in this section shall be promptly sent by the superintendent
29 by registered mail to the federal ~~savings-and-loan-insurance~~
30 corporation office of thrift supervision, Washington, D.C. If
31 the association is insured by the ~~federal-savings-and-loan~~
32 savings association insurance fund of the federal deposit
33 insurance corporation, ~~that the resolution trust~~ corporation
34 shall be named receiver if the superintendent has determined
35 the need for a receivership.

1 Sec. 15. Section 534.408, subsections 1, 8, and 9, Code
2 1991, are amended to read as follows:

3 1. PAYABLE TO DIVISION. Associations shall pay fees by
4 delivering to the superintendent a check payable to the
5 savings and loan division of the department of commerce. All
6 fees collected under this chapter shall be deposited with the
7 treasurer of state in ~~a separate fund to be known as the~~
8 ~~savings and loan revolving fund, except eleven thousand~~
9 ~~dollars each fiscal year shall be transferred to the general~~
10 ~~fund of the state. The amount shall be considered as one of~~
11 ~~the costs of the savings and loan division. All expenses~~
12 ~~necessary to carry out this chapter shall be paid from the~~
13 ~~savings and loan revolving fund and appropriated by the~~
14 ~~general assembly from the fund.~~

15 ~~The authority to modify allotments provided in section 8.31~~
16 ~~shall not apply to funds appropriated from the savings and~~
17 ~~loan fund.~~

18 8. ~~ADMINISTRATIVE SERVICES COST.~~ The savings and loan
19 association division shall transfer at the beginning of each
20 fiscal quarter from appropriated trust funds to the
21 administrative services trust fund an amount which represents
22 the division's share of the estimated cost of consolidated
23 administrative services within the department of commerce,
24 such share to be in the same proportion as established by
25 agreement in the fiscal year beginning July 1, 1986, and
26 ending June 30, 1987, with the first quarterly transfer to
27 occur between July 1 and July 31 annually. At the close of
28 the fiscal year, actual versus estimated expenditures shall be
29 reconciled and any overpayment shall be returned to the
30 division or any underpayment shall be paid by the division.

31 9. ~~ADDITIONAL FUNDS FOR EXAMINATIONS.~~ The savings and
32 loan association division may expend additional funds,
33 including funds for additional personnel, if those additional
34 expenditures are actual expenses which exceed the funds
35 budgeted for savings and loan association examinations and

1 directly result from examinations of savings and loan
2 associations.-- Before the division expends or encumbers an
3 amount in excess of the funds budgeted for examinations, the
4 director of the department of management shall approve the
5 expenditure or encumbrance.-- Before approval is given, the
6 director of the department of management shall determine that
7 the examination expenses exceed the funds budgeted by the
8 general assembly to the division and that the division does
9 not have other funds from which examination expenses can be
10 paid.-- Upon approval of the director of the department of
11 management, the division may expend and encumber funds for
12 excess examination expenses.-- The amounts necessary to fund
13 the excess examination expenses shall be collected from those
14 savings and loan associations being regulated which caused the
15 excess expenditures, and the collections shall be treated as
16 repayment receipts as defined in section 8.2, subsection 5.

17 Sec. 16. Section 534.506, subsection 1, Code 1991, is
18 amended to read as follows:

19 1. An association organized under this chapter as a
20 condition of maintaining its privilege of organization after
21 July 1, 1984, shall acquire and maintain insurance to protect
22 each depositor against loss of funds held on account by the
23 association. The insurance shall be obtained from the federal
24 savings and loan deposit insurance corporation or another
25 insurance plan approved by the superintendent.

317126 Sec. 17. Section 535B.1, subsection 6, Code 1991, is
27 amended to read as follows:

28 6. "Administrator" means the superintendent of the
29 division of savings and loans banking of the department of
30 commerce.

317131 Sec. 18. Section 535B.13, subsection 1, paragraph a, Code
32 1991, is amended to read as follows:

33 a. For the purposes of this subsection, "administrator"
34 means either the superintendent of savings and loans banking
35 or the official or agency charged with enforcing this chapter,

1 or parts thereof, against the person under investigation.

2 EXPLANATION

3 This bill transfers the regulatory authority of the
4 superintendent of savings and loan associations over savings
5 and loan institutions to the director of the department of
6 commerce and the regulatory authority over mortgage bankers
7 and brokers to the superintendent of banking.

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Iowa Commerce 3/28 Do Pass 4/11/91

SENATE FILE 494
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 325)
(AS AMENDED AND PASSED BY THE SENATE MARCH 26, 1991)

* - Language Stricken by the Senate

Passed Senate, Date 3/26/91 (p. 859) Passed House, Date 4/16/91 (p. 1282)
Vote: Ayes 50 Nays 0 Vote: Ayes 98 Nays 0
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S.F. 494

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9 respect to banks; the superintendent of savings and loan
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11 authority with respect to savings and loan associations; the
12 superintendent of credit unions only ~~shall have and exercise~~
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15 designee only ~~shall have and exercise~~ has such powers and
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17 The superintendent may appoint examiners and assistants
18 necessary to properly execute the duties of the office. An
19 ~~examiner shall have had at least one year of actual experience~~
20 ~~as examiner, officer, or employee of a savings and loan~~
21 ~~association. The examiners' salaries shall be fixed by the~~
22 ~~superintendent subject to the approval of the director of~~
23 ~~management and governor, which salaries shall be commensurate~~
24 ~~with those in the range of other employees as prescribed by~~
25 ~~certain classifications in accordance with their experience~~
26 ~~and qualifications. In addition the examiners shall be~~
27 ~~reimbursed for their actual and necessary expense.~~

28 Before entering upon their duties, the superintendent and
29 each examiner appointed by the superintendent shall take an
30 oath of office and shall each give bond to the state, signed
31 by a responsible surety company, in the penal sum of two
32 thousand dollars, conditioned upon faithful and impartial
33 discharge of the person's duty and on proper accounting for
34 all funds and other valuables which may come into the person's
35 hands. The bonds shall be approved by and filed with the

1 auditor of state, together with oaths of office of the
2 officers.

3 The superintendent may adopt further rules deemed necessary
4 to enable savings and loan associations to properly carry on
5 the activities authorized under this chapter.

6 3. DUTIES. The superintendent shall, at least once each
7 year, cause examination and audit to be made of the affairs of
8 every association subject to this chapter. If an association
9 is insured under Title IV of the National Housing Act, 12
10 U.S.C. ch. 13, the superintendent may, in lieu of examination
11 and audit, accept an examination or audit made by the federal
12 savings-and-loan-insurance-corporation office of thrift
13 supervision. An association may, in lieu of examination and
14 audit by the superintendent, at the option of the
15 superintendent be audited by a certified public accountant, or
16 by a public accountant qualified and licensed to practice
17 accountancy under the Code of Iowa. At least two copies of
18 each examination or audit report, signed and verified by the
19 accountant making it, shall promptly be filed with the
20 superintendent. When, in the judgment of the superintendent,
21 the condition of an association renders it necessary or
22 expedient to make an extra examination or audit or to devote
23 extraordinary attention to its affairs, the superintendent
24 shall cause such work to be done. A copy of every examination
25 or audit report shall be furnished to the association
26 examined, exclusive of confidential comments made by the
27 examiner, and a copy of every report and comments and any
28 other information pertaining to an association may be
29 furnished to the federal home loan bank board, federal home
30 loan bank, and federal savings-and-loan-insurance-corporation
31 office of thrift supervision. A copy of an examination or
32 audit report shall be presented to the board of directors at
33 its next regular or special meeting, their action on it shall
34 be recorded in the minutes, and two certified copies of the
35 minutes shall be transmitted to the superintendent.

1 4. SUPERINTENDENT'S ANNUAL REPORT. The superintendent, as
2 of December 31 of each year, shall prepare and publish a
3 report showing in general terms the condition of all savings
4 and loan associations doing business in this state, and
5 containing other general information as in the
6 superintendent's judgment seems desirable. The reports shall
7 also list the names of all examiners and other assistants
8 employed appointed by the superintendent, together with their
9 respective salaries and expenses, shall list all receipts from
10 savings and loan associations, and shall show all expenditures
11 made on account of the supervision and examination of the
12 associations.

13 Sec. 13. Section 534.403, subsections 2 and 3, Code 1991,
14 are amended to read as follows:

15 2. EXPENSES, PER DIEM, VACATION, AND SICK LEAVE. If the
16 examination is made under section 534.401, subsection 3, each
17 examiner shall file with the superintendent an itemized,
18 certified, and sworn voucher of the examiner's expense for the
19 time the examiner is actually engaged in an examination. On
20 the fifteenth and last days of each month each examiner shall
21 file in triplicate with the superintendent a certified
22 statement of the actual days engaged in examinations. The
23 salaries shall be included in a two-week payroll period. Upon
24 approval of the superintendent, the director of revenue and
25 finance is authorized to issue warrants for payment of the
26 vouchers and salaries, including a prorated amount for
27 vacation and sick leave ~~7-from-the-savings-and-loan-revolving~~
28 ~~fund~~. Repayment to the state shall be made as provided by
29 section 534.408, subsection 4. Savings and loan examiners
30 shall be paid salaries at rates commensurate with, and shall
31 be reimbursed for meals and lodging at the same rate and in
32 the same manner as, that which is received by federal
33 examiners operating under the federal home loan bank board.

34 3. RECORD REQUIRED. A record of all examinations,
35 reports, and related information shall be kept in the

1 superintendent's office, showing in detail as to each
2 association all matters connected with the conduct of its
3 business, its financial standing, and everything touching its
4 solvency, plan of business, and integrity.

5 The examinations, reports, and information shall be kept
6 confidential in the office of the superintendent, and are not
7 subject to publication or disclosure to others except as
8 provided in this chapter. However, the superintendent may
9 furnish any examination, report, or information to the federal
10 ~~savings-and-loan-insurance-corporation~~ office of thrift
11 supervision, federal deposit insurance corporation, or a
12 successor deposit insurance instrumentality, federal home loan
13 bank board, or financial institution regulatory authorities of
14 any state. Any evidence of felonious acts on the part of the
15 officers, directors, or employees of an association may be
16 referred by the superintendent to proper authorities. Members
17 of associations, other than their officers and directors, are
18 not entitled to inspection of any such records or information,
19 and are not entitled to any information relative to the names
20 of the members of an association, or the amounts invested by
21 them, as disclosed in the superintendent's office, or in the
22 records of an association.

23 Sec. 14. Section 534.405, unnumbered paragraph 6, Code
24 1991, is amended to read as follows:

25 If the association has the insurance protection provided by
26 Title IV of the National Housing Act, 12 U.S.C. ch. 13, a
27 signed and sealed copy of each order and certificate mentioned
28 in this section shall be promptly sent by the superintendent
29 by registered mail to the federal ~~savings-and-loan-insurance~~
30 corporation office of thrift supervision, Washington, D.C. If
31 the association is insured by the ~~federal-savings-and-loan~~
32 savings association insurance fund of the federal deposit
33 insurance corporation, ~~that~~ the resolution trust corporation
34 shall be named receiver if the superintendent has determined
35 the need for a receivership.

1 Sec. 15. Section 534.408, subsections 1, 8, and 9, Code
2 1991, are amended to read as follows:

3 1. PAYABLE TO DIVISION. Associations shall pay fees by
4 delivering to the superintendent a check payable to the
5 savings and loan division of the department of commerce. All
6 fees collected under this chapter shall be deposited with the
7 treasurer of state in ~~a separate fund to be known as the~~
8 ~~savings and loan revolving fund, except eleven thousand~~
9 ~~dollars each fiscal year shall be transferred to the general~~
10 ~~fund of the state. The amount shall be considered as one of~~
11 ~~the costs of the savings and loan division. All expenses~~
12 ~~necessary to carry out this chapter shall be paid from the~~
13 ~~savings and loan revolving fund and appropriated by the~~
14 ~~general assembly from the fund.~~

15 ~~The authority to modify allotments provided in section 8.31~~
16 ~~shall not apply to funds appropriated from the savings and~~
17 ~~loan fund.~~

18 ~~8. ADMINISTRATIVE SERVICES COST. The savings and loan~~
19 ~~association division shall transfer at the beginning of each~~
20 ~~fiscal quarter from appropriated trust funds to the~~
21 ~~administrative services trust fund an amount which represents~~
22 ~~the division's share of the estimated cost of consolidated~~
23 ~~administrative services within the department of commerce,~~
24 ~~such share to be in the same proportion as established by~~
25 ~~agreement in the fiscal year beginning July 1, 1986, and~~
26 ~~ending June 30, 1987, with the first quarterly transfer to~~
27 ~~occur between July 1 and July 31 annually. At the close of~~
28 ~~the fiscal year, actual versus estimated expenditures shall be~~
29 ~~reconciled and any overpayment shall be returned to the~~
30 ~~division or any underpayment shall be paid by the division.~~

31 ~~9. ADDITIONAL FUNDS FOR EXAMINATIONS. The savings and~~
32 ~~loan association division may expend additional funds,~~
33 ~~including funds for additional personnel, if those additional~~
34 ~~expenditures are actual expenses which exceed the funds~~
35 ~~budgeted for savings and loan association examinations and~~

1 directly result from examinations of savings and loan
2 associations. -- Before the division expends or encumbers an
3 amount in excess of the funds budgeted for examinations, the
4 director of the department of management shall approve the
5 expenditure or encumbrance. -- Before approval is given, the
6 director of the department of management shall determine that
7 the examination expenses exceed the funds budgeted by the
8 general assembly to the division and that the division does
9 not have other funds from which examination expenses can be
10 paid. -- Upon approval of the director of the department of
11 management, the division may expend and encumber funds for
12 excess examination expenses. -- The amounts necessary to fund
13 the excess examination expenses shall be collected from those
14 savings and loan associations being regulated which caused the
15 excess expenditures, and the collections shall be treated as
16 repayment receipts as defined in section 8-2, subsection 5.

17 Sec. 16. Section 534.506, subsection 1, Code 1991, is
18 amended to read as follows:

19 1. An association organized under this chapter as a
20 condition of maintaining its privilege of organization after
21 July 1, 1984, shall acquire and maintain insurance to protect
22 each depositor against loss of funds held on account by the
23 association. The insurance shall be obtained from the federal
24 savings and loan deposit insurance corporation or another
25 insurance plan approved by the superintendent.

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DEUNGER, W.
STURGEON
KERSTEN

SSB 325
Commerce

SENATE/HOUSE FILE 494
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the transfer of the regulatory authority of
2 the superintendent of savings and loan associations to the
3 director of the department of commerce and the superintendent
4 of banking.

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

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1 Section 1. Section 527.3, subsection 1, Code 1991, is
2 amended to read as follows:

3 1. For purposes of this chapter the superintendent of
4 banking only ~~shall have~~ has the power to issue rules
5 applicable to, to accept and approve or disapprove
6 applications or informational statements from, to conduct
7 hearings and revoke any approvals relating to, and to exercise
8 all other supervisory authority created by this chapter with
9 respect to banks; the superintendent of savings and loan
10 associations only shall have and exercise such powers and
11 authority with respect to savings and loan associations; the
12 superintendent of credit unions only ~~shall have and exercise~~
13 has such powers and authority with respect to credit unions;
14 and the superintendent of banking or the superintendent's
15 designee only ~~shall have and exercise~~ has such powers and
16 authority with respect to industrial loan companies.

17 Sec. 2. Section 534.102, subsection 12, Code 1991, is
18 amended to read as follows:

19 12. "Insured", when used in conjunction with the words
20 "association", "state association", "foreign association", or
21 "federal association", means an institution whose deposits are
22 insured in part by the ~~federal savings and loan~~ savings
23 association insurance fund of the federal deposit insurance
24 corporation or another insurance plan approved by the
25 superintendent.

26 Sec. 3. Section 534.102, subsection 28, Code 1991, is
27 amended to read as follows:

28 28. "Superintendent" means the superintendent of savings
29 and loan associations who is the director of the department of
30 commerce.

31 Sec. 4. Section 534.103, subsection 1, Code 1991, is
32 amended to read as follows:

33 1. GENERAL CORPORATE POWER. To sue and be sued, complain
34 and defend in any court of law or equity; to purchase,
35 acquire, hold, and convey real and personal estate consistent

1 with its objects and powers; to mortgage, pledge, or lease any
2 real or personal estate owned by the association and to
3 authorize ~~such a~~ pledgee to repledge ~~same~~ the property; to
4 take property by ~~gifts~~ gift, devise, or bequest; to have a
5 corporate seal, which may be affixed by imprint, facsimile, or
6 otherwise; to appoint officers, agents, and employees as its
7 business ~~shall-require~~ requires and allow them suitable
8 compensation; to provide for life, health, and casualty
9 insurance for its officers and employees and to adopt and
10 operate reasonable bonus plans and retirement benefits for
11 ~~such the~~ officers and employees to enter into payroll savings
12 plans; to adopt and amend bylaws; to insure its accounts with
13 the ~~federal-savings-and-loan~~ savings association insurance
14 fund of the federal deposit insurance corporation and qualify
15 as a member of a federal home loan bank; to become a member
16 of, deal with, or make contributions to any organization to
17 the extent that ~~such the~~ organization assists in furthering or
18 facilitating the association's purposes or powers and to
19 comply with conditions of membership; to accept savings as
20 provided in this chapter together with ~~such~~ other powers as
21 are otherwise expressly provided for in this chapter, together
22 with ~~such~~ implied powers as are reasonably necessary for the
23 purpose of carrying out the express powers granted in this
24 chapter.

25 Sec. 5. Section 534.111, Code 1991, is amended to read as
26 follows:

27 534.111 RIGHTS OF FEDERAL ASSOCIATIONS -- RECIPROCITY.

28 Every federal savings and loan association incorporated
29 under the ~~provisions-of~~ Home Owners' Loan Act of 1933, {12
30 U.S.C. § 1461-1468}, as ~~now-or-hereafter~~ amended, and the
31 holders of share accounts issued by any such association ~~shall~~
32 have all the rights, powers, and privileges and ~~shall-be~~ are
33 entitled to the same exemptions and immunities, as savings and
34 loan associations organized under the laws of this state and
35 members thereof are entitled.

1 Every association organized under this chapter has all the
2 rights, powers, and privileges not in conflict with the laws
3 of this state, which are conferred upon federal savings and
4 loan associations by the Home Owners' Loan Act of 1933, 12
5 U.S.C. § 1464, and conferred by regulations adopted by the
6 federal home loan bank board and the ~~federal savings-and-loan~~
7 insurance-corporation office of thrift supervision.

8 Sec. 6. Section 534.112, Code 1991, is amended to read as
9 follows:

10 534.112 REGULATORY CAPITAL.

11 An association shall maintain regulatory capital in the
12 amount required by regulations of the ~~federal savings-and-loan~~
13 insurance-corporation office of thrift supervision. For the
14 purpose of this section, "regulatory capital" means the sum of
15 all reserve accounts (except specific reserves established to
16 offset actual or anticipated losses), undivided profits,
17 surplus, capital stock, and any other nonwithdrawable
18 accounts.

19 Sec. 7. Section 534.205, subsection 1, Code 1991, is
20 amended to read as follows:

21 1. APPRAISAL. A qualified person shall conduct an
22 inspection of the property securing the loan and submit a
23 signed appraisal of the market value of that property,
24 provided-that. However, an appraisal is only required where
25 if the loan is secured by a first lien. An appraisal must
26 conform to the standards promulgated by the federal office of
27 thrift supervision as mandated by Title XI of the federal
28 Financial Institutions Reform, Recovery, and Enforcement Act
29 of 1989.

30 Sec. 8. Section 534.213, subsection 1, paragraph c, Code
31 1991, is amended by striking the paragraph.

32 Sec. 9. Section 534.213, subsection 1, paragraph g, Code
33 1991, is amended to read as follows:

34 g. Savings accounts of any savings and loan association
35 the deposits of which are insured by the federal ~~savings-and~~

1 ~~loan~~ deposit insurance corporation.

2 Sec. 10. Section 534.214, subsection 5, Code 1991, is
3 amended to read as follows:

4 5. DEFINITIONS. For purposes of this section an "insured
5 bank" is a bank whose deposits are insured in part by the bank
6 insurance fund of the federal deposit insurance corporation; a
7 "bank service corporation" is as defined by, and in accordance
8 with, the laws of the United States, and the "superintendent
9 of banking" is the person appointed pursuant to section
10 524.201.

11 Sec. 11. Section 534.301, subsection 6, Code 1991, is
12 amended to read as follows:

13 6. OPERATING UNDER FEDERAL RULES AS TO DEPOSITS AND
14 INTEREST. A savings and loan association operating under this
15 chapter may operate in a manner similar to federally chartered
16 savings and loan associations regarding the use of the terms
17 "deposit" and "interest" and with such other powers as have
18 been authorized to federally chartered associations under the
19 Homeowners Loan Act of 1933, ~~Title 12, section 1464, United~~
20 ~~States-Code~~ U.S.C. § 1464, and as permitted under the rules
21 and regulations of the federal home loan bank system and
22 ~~federal-savings-and-loan-insurance-corporation~~ the federal
23 office of thrift supervision, to the extent that similar rules
24 and regulations have been adopted by the superintendent and
25 have been filed with the secretary of state. This subsection
26 ~~shall~~ does not diminish or restrict the powers otherwise
27 granted to such association by the laws of Iowa.

28 The adoption and filing of such rules or regulations by the
29 superintendent shall not diminish or restrict the rights of
30 associations which do not make the above determination.

31 Sec. 12. Section 534.401, Code 1991, is amended to read as
32 follows:

33 534.401 DIVISION OF SAVINGS AND LOAN ASSOCIATIONS.

34 1. DIVISION OF SAVINGS AND LOAN ASSOCIATIONS CREATED --
35 SUPERINTENDENT. A savings and loan association division is

1 created within the department of commerce. The superintendent
2 of savings and loan associations is the chief administrative
3 officer of the division. ~~The-governor-shall-appoint-the~~
4 ~~superintendent-subject-to-confirmation-by-the-senate---~~The
5 ~~superintendent-shall-serve-a-four-year-term---~~The-term-begins
6 ~~and-ends-as-provided-in-section-69-19---~~A-vacancy-in-an
7 ~~unexpired-term-shall-be-filled-in-the-same-manner-as-a-full-~~
8 ~~term-appointment-is-made---~~The-superintendent-shall-have-at
9 ~~least-five-years+practical-experience-in-savings-and-loan~~
10 ~~management,examination,or-supervision---~~The-superintendent's
11 ~~salary-shall-be-set-by-the-governor-within-a-range-set-by-the~~
12 ~~general-assembly---~~The-superintendent-is-entitled-to-actual
13 ~~expenses-incurred-in-the-performance-of-the-superintendent's~~
14 ~~duties.~~

15 2. GENERAL SUPERVISORY POWER. The superintendent has
16 general supervision over all supervised organizations.

17 The superintendent may appoint examiners and assistants
18 necessary to properly execute the duties of the office. An
19 ~~examiner-shall-have-had-at-least-one-year-of-actual-experience~~
20 ~~as-examiner,officer,or-employee,of-a-savings-and-loan~~
21 ~~association---~~The-examiners'salaries-shall-be-fixed-by-the
22 ~~superintendent-subject-to-the-approval-of-the-director-of~~
23 ~~management-and-governor,which-salaries-shall-be-commensurate~~
24 ~~with-those-in-the-range-of-other-employees-as-prescribed-by~~
25 ~~certain-classifications-in-accordance-with-their-experience~~
26 ~~and-qualifications---~~In-addition-the-examiners-shall-be
27 ~~reimbursed-for-their-actual-and-necessary-expense.~~

28 Before entering upon their duties, the superintendent and
29 each examiner appointed by the superintendent shall take an
30 oath of office and shall each give bond to the state, signed
31 by a responsible surety company, in the penal sum of two
32 thousand dollars, conditioned upon faithful and impartial
33 discharge of the person's duty and on proper accounting for
34 all funds and other valuables which may come into the person's
35 hands. The bonds shall be approved by and filed with the

1 auditor of state, together with oaths of office of the
2 officers.

3 The superintendent may adopt further rules deemed necessary
4 to enable savings and loan associations to properly carry on
5 the activities authorized under this chapter.

6 3. DUTIES. The superintendent shall, at least once each
7 year, cause examination and audit to be made of the affairs of
8 every association subject to this chapter. If an association
9 is insured under Title IV of the National Housing Act, 12
10 U.S.C. ch. 13, the superintendent may, in lieu of examination
11 and audit, accept an examination or audit made by the federal
12 savings-and-loan-insurance-corporation office of thrift
13 supervision. An association may, in lieu of examination and
14 audit by the superintendent, at the option of the
15 superintendent be audited by a certified public accountant, or
16 by a public accountant qualified and licensed to practice
17 accountancy under the Code of Iowa. At least two copies of
18 each examination or audit report, signed and verified by the
19 accountant making it, shall promptly be filed with the
20 superintendent. When, in the judgment of the superintendent,
21 the condition of an association renders it necessary or
22 expedient to make an extra examination or audit or to devote
23 extraordinary attention to its affairs, the superintendent
24 shall cause such work to be done. A copy of every examination
25 or audit report shall be furnished to the association
26 examined, exclusive of confidential comments made by the
27 examiner, and a copy of every report and comments and any
28 other information pertaining to an association may be
29 furnished to the federal home loan bank board, federal home
30 loan bank, and federal savings-and-loan-insurance-corporation
31 office of thrift supervision. A copy of an examination or
32 audit report shall be presented to the board of directors at
33 its next regular or special meeting, their action on it shall
34 be recorded in the minutes, and two certified copies of the
35 minutes shall be transmitted to the superintendent.

1 4. SUPERINTENDENT'S ANNUAL REPORT. The superintendent, as
2 of December 31 of each year, shall prepare and publish a
3 report showing in general terms the condition of all savings
4 and loan associations doing business in this state, and
5 containing other general information as in the
6 superintendent's judgment seems desirable. The reports shall
7 also list the names of all examiners and other assistants
8 employed appointed by the superintendent, together with their
9 respective salaries and expenses, shall list all receipts from
10 savings and loan associations, and shall show all expenditures
11 made on account of the supervision and examination of the
12 associations.

13 Sec. 13. Section 534.403, subsections 2 and 3, Code 1991,
14 are amended to read as follows:

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

34 3. RECORD REQUIRED. A record of all examinations,
35 reports, and related information shall be kept in the

1 superintendent's office, showing in detail as to each
2 association all matters connected with the conduct of its
3 business, its financial standing, and everything touching its
4 solvency, plan of business, and integrity.

5 The examinations, reports, and information shall be kept
6 confidential in the office of the superintendent, and are not
7 subject to publication or disclosure to others except as
8 provided in this chapter. However, the superintendent may
9 furnish any examination, report, or information to the federal
10 savings-and-loan-insurance-corporation office of thrift
11 supervision, federal deposit insurance corporation, or a
12 successor deposit insurance instrumentality, federal home loan
13 bank board, or financial institution regulatory authorities of
14 any state. Any evidence of felonious acts on the part of the
15 officers, directors, or employees of an association may be
16 referred by the superintendent to proper authorities. Members
17 of associations, other than their officers and directors, are
18 not entitled to inspection of any such records or information,
19 and are not entitled to any information relative to the names
20 of the members of an association, or the amounts invested by
21 them, as disclosed in the superintendent's office, or in the
22 records of an association.

23 Sec. 14. Section 534.405, unnumbered paragraph 6, Code
24 1991, is amended to read as follows:

25 If the association has the insurance protection provided by
26 Title IV of the National Housing Act, 12 U.S.C. ch. 13, a
27 signed and sealed copy of each order and certificate mentioned
28 in this section shall be promptly sent by the superintendent
29 by registered mail to the federal savings-and-loan-insurance
30 corporation office of thrift supervision, Washington, D.C. If
31 the association is insured by the ~~federal-savings-and-loan~~
32 savings association insurance fund of the federal deposit
33 insurance corporation, that the resolution trust corporation
34 shall be named receiver if the superintendent has determined
35 the need for a receivership.

1 Sec. 15. Section 534.408, subsections 1, 8, and 9, Code
2 1991, are amended to read as follows:

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4 delivering to the superintendent a check payable to the
5 savings and loan division of the department of commerce. All
6 fees collected under this chapter shall be deposited with the
7 treasurer of state in ~~a separate fund to be known as the~~
8 ~~savings and loan revolving fund, except eleven thousand~~
9 ~~dollars each fiscal year shall be transferred to the general~~
10 ~~fund of the state. The amount shall be considered as one of~~
11 ~~the costs of the savings and loan division. All expenses~~
12 ~~necessary to carry out this chapter shall be paid from the~~
13 ~~savings and loan revolving fund and appropriated by the~~
14 ~~general assembly from the fund.~~

15 ~~The authority to modify allotments provided in section 8-31~~
16 ~~shall not apply to funds appropriated from the savings and~~
17 ~~loan fund.~~

18 ~~8. ADMINISTRATIVE SERVICES COST. The savings and loan~~
19 ~~association division shall transfer at the beginning of each~~
20 ~~fiscal quarter from appropriated trust funds to the~~
21 ~~administrative services trust fund an amount which represents~~
22 ~~the division's share of the estimated cost of consolidated~~
23 ~~administrative services within the department of commerce,~~
24 ~~such share to be in the same proportion as established by~~
25 ~~agreement in the fiscal year beginning July 1, 1986, and~~
26 ~~ending June 30, 1987, with the first quarterly transfer to~~
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29 ~~reconciled and any overpayment shall be returned to the~~
30 ~~division or any underpayment shall be paid by the division.~~

31 ~~9. ADDITIONAL FUNDS FOR EXAMINATIONS. The savings and~~
32 ~~loan association division may expend additional funds,~~
33 ~~including funds for additional personnel, if those additional~~
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 4 director of the department of management shall approve the
 5 expenditure or encumbrance. -- Before approval is given, the
 6 director of the department of management shall determine that
 7 the examination expenses exceed the funds budgeted by the
 8 general assembly to the division and that the division does
 9 not have other funds from which examination expenses can be
 10 paid. -- Upon approval of the director of the department of
 11 management, the division may expend and encumber funds for
 12 excess examination expenses. -- The amounts necessary to fund
 13 the excess examination expenses shall be collected from those
 14 savings and loan associations being regulated which caused the
 15 excess expenditures, and the collections shall be treated as
 16 repayment receipts as defined in section 8-27, subsection 5.

17 Sec. 16. Section 534.506, subsection 1, Code 1991, is
 18 amended to read as follows:

19 1. An association organized under this chapter as a
 20 condition of maintaining its privilege of organization after
 21 July 1, 1984, shall acquire and maintain insurance to protect
 22 each depositor against loss of funds held on account by the
 23 association. The insurance shall be obtained from the federal
 24 savings and loan deposit insurance corporation or another
 25 insurance plan approved by the superintendent.

26 Sec. 17. Section 535B.1, subsection 6, Code 1991, is
 27 amended to read as follows:

28 6. "Administrator" means the superintendent of the
 29 division of savings and loans banking of the department of
 30 commerce.

31 Sec. 18. Section 535B.13, subsection 1, paragraph a, Code
 32 1991, is amended to read as follows:

33 a. For the purposes of this subsection, "administrator"
 34 means either the superintendent of savings and loans banking
 35 or the official or agency charged with enforcing this chapter,

1 or parts thereof, against the person under investigation.

2 EXPLANATION

3 This bill transfers the regulatory authority of the
4 superintendent of savings and loan associations over savings
5 and loan institutions to the director of the department of
6 commerce and the regulatory authority over mortgage bankers
7 and brokers to the superintendent of banking.

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SENATE FILE 494

AN ACT

RELATING TO THE TRANSFER OF THE REGULATORY AUTHORITY
OF THE SUPERINTENDENT OF SAVINGS AND LOAN ASSOCIATIONS
TO THE DIRECTOR OF THE DEPARTMENT OF COMMERCE
AND THE SUPERINTENDENT OF BANKING.

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

Section 1. Section 527.3, subsection 1, Code 1991, is amended to read as follows:

1. For purposes of this chapter the superintendent of banking only ~~shall have~~ has the power to issue rules applicable to, to accept and approve or disapprove applications or informational statements from, to conduct hearings and revoke any approvals relating to, and to exercise all other supervisory authority created by this chapter with respect to banks; the superintendent of savings and loan associations only shall have and exercise such powers and authority with respect to savings and loan associations; the superintendent of credit unions only ~~shall have and exercise~~ has such powers and authority with respect to credit unions; and the superintendent of banking or the superintendent's designee only ~~shall have and exercise~~ has such powers and authority with respect to industrial loan companies.

Sec. 2. Section 534.102, subsection 12, Code 1991, is amended to read as follows:

12. "Insured", when used in conjunction with the words "association", "state association", "foreign association", or "federal association", means an institution whose deposits are insured in part by the ~~federal-savings-and-loan~~ savings association insurance fund of the federal deposit insurance corporation or another insurance plan approved by the superintendent.

Sec. 3. Section 534.102, subsection 28, Code 1991, is amended to read as follows:

28. "Superintendent" means the superintendent of savings and loan associations who is the director of the department of commerce.

Sec. 4. Section 534.103, subsection 1, Code 1991, is amended to read as follows:

1. GENERAL CORPORATE POWER. To sue and be sued, complain and defend in any court of law or equity; to purchase, acquire, hold, and convey real and personal estate consistent with its objects and powers; to mortgage, pledge, or lease any real or personal estate owned by the association and to authorize such a pledgee to repledge same the property; to take property by gifts gift, devise, or bequest; to have a corporate seal, which may be affixed by imprint, facsimile, or otherwise; to appoint officers, agents, and employees as its business ~~shall require~~ requires and allow them suitable compensation; to provide for life, health, and casualty insurance for its officers and employees and to adopt and operate reasonable bonus plans and retirement benefits for such the officers and employees to enter into payroll savings plans; to adopt and amend bylaws; to insure its accounts with the ~~federal-savings-and-loan~~ savings association insurance fund of the federal deposit insurance corporation and qualify as a member of a federal home loan bank; to become a member of, deal with, or make contributions to any organization to the extent that such the organization assists in furthering or facilitating the association's purposes or powers and to comply with conditions of membership; to accept savings as provided in this chapter together with such other powers as are otherwise expressly provided for in this chapter, together with such implied powers as are reasonably necessary for the purpose of carrying out the express powers granted in this chapter.

Sec. 5. Section 534.111, Code 1991, is amended to read as follows:

534.111 RIGHTS OF FEDERAL ASSOCIATIONS -- RECIPROCITY.

Every federal savings and loan association incorporated under the ~~provisions of~~ Home Owners' Loan Act of 1933, ~~{12 U.S.C. § 1461-1468}~~, as now or hereafter amended, and the

holders of share accounts issued by any such association shall have all the rights, powers, and privileges and shall be are entitled to the same exemptions and immunities, as savings and loan associations organized under the laws of this state and members thereof are entitled.

Every association organized under this chapter has all the rights, powers, and privileges not in conflict with the laws of this state, which are conferred upon federal savings and loan associations by the Home Owners' Loan Act of 1933, 12 U.S.C. § 1464, and conferred by regulations adopted by the federal home loan bank board and the federal savings-and-loan insurance-corporation office of thrift supervision.

Sec. 6. Section 534.112, Code 1991, is amended to read as follows:

534.112 REGULATORY CAPITAL.

An association shall maintain regulatory capital in the amount required by regulations of the federal savings-and-loan insurance-corporation office of thrift supervision. For the purpose of this section, "regulatory capital" means the sum of all reserve accounts (except specific reserves established to offset actual or anticipated losses), undivided profits, surplus, capital stock, and any other nonwithdrawable accounts.

Sec. 7. Section 534.205, subsection 1, Code 1991, is amended to read as follows:

1. APPRAISAL. A qualified person shall conduct an inspection of the property securing the loan and submit a signed appraisal of the market value of that property; provided-that. However, an appraisal is only required where if the loan is secured by a first lien. An appraisal must conform to the standards promulgated by the federal office of thrift supervision as mandated by Title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Sec. 8. Section 534.213, subsection 1, paragraph c, Code 1991, is amended by striking the paragraph.

Sec. 9. Section 534.213, subsection 1, paragraph g, Code 1991, is amended to read as follows:

g. Savings accounts of any savings and loan association the deposits of which are insured by the federal savings-and-loan deposit insurance corporation.

Sec. 10. Section 534.214, subsection 5, Code 1991, is amended to read as follows:

5. DEFINITIONS. For purposes of this section an "insured bank" is a bank whose deposits are insured in part by the bank insurance fund of the federal deposit insurance corporation; a "bank service corporation" is as defined by, and in accordance with, the laws of the United States, and the "superintendent of banking" is the person appointed pursuant to section 524.201.

Sec. 11. Section 534.301, subsection 6, Code 1991, is amended to read as follows:

6. OPERATING UNDER FEDERAL RULES AS TO DEPOSITS AND INTEREST. A savings and loan association operating under this chapter may operate in a manner similar to federally chartered savings and loan associations regarding the use of the terms "deposit" and "interest" and with such other powers as have been authorized to federally chartered associations under the Homeowners Loan Act of 1933, ~~Title 12, section 1464,~~ United States Code U.S.C. § 1464, and as permitted under the rules and regulations of the federal home loan bank system and ~~federal savings-and-loan insurance corporation~~ the federal office of thrift supervision, to the extent that similar rules and regulations have been adopted by the superintendent and have been filed with the secretary of state. This subsection shall does not diminish or restrict the powers otherwise granted to such association by the laws of Iowa.

The adoption and filing of such rules or regulations by the superintendent shall not diminish or restrict the rights of associations which do not make the above determination.

Sec. 12. Section 534.401, Code 1991, is amended to read as follows:

534.401 DIVISION OF SAVINGS AND LOAN ASSOCIATIONS.

1. DIVISION OF SAVINGS AND LOAN ASSOCIATIONS CREATED -- SUPERINTENDENT. A savings and loan association division is created within the department of commerce. The superintendent

of savings and loan associations is the chief administrative officer of the division. ~~The governor shall appoint the superintendent subject to confirmation by the senate. The superintendent shall serve a four-year term. The term begins and ends as provided in section 69:19. A vacancy in an unexpired term shall be filled in the same manner as a full-term appointment is made. The superintendent shall have at least five years' practical experience in savings and loan management, examination, or supervision. The superintendent's salary shall be set by the governor within a range set by the general assembly. The superintendent is entitled to actual expenses incurred in the performance of the superintendent's duties.~~

2. GENERAL SUPERVISORY POWER. The superintendent has general supervision over all supervised organizations.

The superintendent may appoint examiners and assistants necessary to properly execute the duties of the office. ~~An examiner shall have had at least one year of actual experience as examiner, officer, or employee of a savings and loan association. The examiners' salaries shall be fixed by the superintendent subject to the approval of the director of management and governor, which salaries shall be commensurate with those in the range of other employees as prescribed by certain classifications in accordance with their experience and qualifications. In addition the examiners shall be reimbursed for their actual and necessary expense.~~

Before entering upon their duties, the superintendent and each examiner appointed by the superintendent shall take an oath of office and shall each give bond to the state, signed by a responsible surety company, in the penal sum of two thousand dollars, conditioned upon faithful and impartial discharge of the person's duty and on proper accounting for all funds and other valuables which may come into the person's hands. The bonds shall be approved by and filed with the auditor of state, together with oaths of office of the officers.

The superintendent may adopt further rules deemed necessary to enable savings and loan associations to properly carry on

3. DUTIES. The superintendent shall, at least once each year, cause examination and audit to be made of the affairs of every association subject to this chapter. If an association is insured under Title IV of the National Housing Act, 12 U.S.C. ch. 13, the superintendent may, in lieu of examination and audit, accept an examination or audit made by the federal savings and loan insurance corporation office of thrift supervision. An association may, in lieu of examination and audit by the superintendent, at the option of the superintendent be audited by a certified public accountant, or by a public accountant qualified and licensed to practice accountancy under the Code of Iowa. At least two copies of each examination or audit report, signed and verified by the accountant making it, shall promptly be filed with the superintendent. When, in the judgment of the superintendent, the condition of an association renders it necessary or expedient to make an extra examination or audit or to devote extraordinary attention to its affairs, the superintendent shall cause such work to be done. A copy of every examination or audit report shall be furnished to the association examined, exclusive of confidential comments made by the examiner, and a copy of every report and comments and any other information pertaining to an association may be furnished to the federal home loan bank board, federal home loan bank, and federal savings and loan insurance corporation office of thrift supervision. A copy of an examination or audit report shall be presented to the board of directors at its next regular or special meeting, their action on it shall be recorded in the minutes, and two certified copies of the minutes shall be transmitted to the superintendent.

4. SUPERINTENDENT'S ANNUAL REPORT. The superintendent, as of December 31 of each year, shall prepare and publish a report showing in general terms the condition of all savings and loan associations doing business in this state, and containing other general information as in the superintendent's judgment seems desirable. The reports shall also list the names of all examiners and other assistants employed appointed by the superintendent, together with their

respective salaries and expenses, shall list all receipts from savings and loan associations, and shall show all expenditures made on account of the supervision and examination of the associations.

Sec. 13. Section 534.403, subsections 2 and 3, Code 1991, are 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 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.

3. RECORD REQUIRED. A record of 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 its business, its financial standing, and everything touching its solvency, plan of business, and integrity.

The examinations, reports, and information 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. However, the superintendent may furnish any examination, report, or information to the federal ~~savings and loan insurance corporation office of thrift~~ superintendent, 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. 14. Section 534.405, unnumbered paragraph 6, Code 1991, is amended to read as follows:

If the association has the insurance protection provided by Title IV of the National Housing Act, 12 U.S.C. ch. 13, a signed and sealed copy of each order and certificate mentioned in this section shall be promptly sent by the superintendent by registered mail to the federal ~~savings and loan insurance corporation office of thrift supervision~~, Washington, D.C. If the association is insured by the ~~federal savings and loan savings association insurance fund of the federal deposit insurance corporation~~, that ~~the resolution trust~~ corporation shall be named receiver if the superintendent has determined the need for a receivership.

Sec. 15. Section 534.408, subsections 1, 8, and 9, Code 1991, are amended to read as follows:

1. PAYABLE TO DIVISION. Associations shall pay fees by delivering to the superintendent a check payable to the savings and loan division of the department of commerce. All fees collected under this chapter shall be deposited with the treasurer of state in ~~a separate fund to be known as the savings and loan revolving fund, except eleven thousand dollars each fiscal year shall be transferred to the general fund of the state. The amount shall be considered as one of the costs of the savings and loan division. All expenses necessary to carry out this chapter shall be paid from the savings and loan revolving fund and appropriated by the general assembly from the fund.~~

~~The authority to modify allotments provided in section 8:31 shall not apply to funds appropriated from the savings and loan fund:~~

~~8. ADMINISTRATIVE SERVICES COST. -- The savings and loan association division shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce; such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1987, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures shall be reconciled and any overpayment shall be returned to the division or any underpayment shall be paid by the division.~~

~~9. ADDITIONAL FUNDS FOR EXAMINATIONS. -- The savings and loan association division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for savings and loan association examinations and directly result from examinations of savings and loan associations. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management, the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those savings and loan associations being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8:2, subsection 5.~~

Sec. 16. Section 534.506, subsection 1, Code 1991, is amended to read as follows:

1. An association organized under this chapter as a condition of maintaining its privilege of organization after July 1, 1984, shall acquire and maintain insurance to protect each depositor against loss of funds held on account by the association. The insurance shall be obtained from the federal savings and loan deposit insurance corporation or another insurance plan approved by the superintendent.

JOE J. WELSH
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 494, Seventy-fourth General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved May 1, 1991

TERRY E. BRANSTAD
Governor