

January 21, 1970

SENATE FILE 1099

Passed on File

Has Commerce 1-29, Pass 2-20

By COMMITTEE ON COMMERCE

Passed Senate, Date *1-27-70* Passed House, Date *2-20-70*

Vote: Ayes *51* Nays *0* Vote: Ayes *13* Nays *0*

Approved *3-4-70*

A BILL FOR

1 An Act relating to savings and loan associations.

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

3 Section 1. Chapter two hundred seventy-six (276), section
4 one (1), Acts of the Sixty-third General Assembly, First Ses-
5 sion, amending section five hundred thirty-four point nineteen
6 (534.19), Code 1966, is hereby amended by striking lines three
7 (3) through twenty-one (21), inclusive, and inserting in lieu
8 thereof the following:

9 "A savings and loan association operating under this chapter
10 may operate in a manner similar to federally chartered savings
11 and loan associations regarding the use of the terms 'deposit'
12 and 'interest' and with such other powers as have been authorized
13 to federally chartered associations under the homeowners loan
14 act of 1933, title twelve (12), section fourteen hundred sixty-
15 four (1464), United State Code, and as permitted under the
16 rules and regulations of the federal home loan bank system and
17 federal savings and loan insurance corporation, to the extent
18 that similar rules and regulations have been adopted by the
19 supervisor of savings and loan associations and have been filed
20 with the secretary of state. This subsection shall not diminish
21 or restrict the powers otherwise granted to such association
22 by the laws of Iowa.

23 The adoption and filing of such rules or regulations by the
24 supervisor shall not diminish or restrict the rights of associa-
25 tions which do not make the above determination."

1 Sec. 2. Section five hundred thirty-four point forty-two
2 (534.42), Code 1966, as amended by chapter three hundred eighty-
3 two (382), section eight (8), Acts of the Sixty-second General
4 Assembly, is hereby repealed and the following enacted in lieu
5 thereof:

6 “After making such provisions for absorbing immediate and
7 possible future losses, the board of directors of such associa-
8 tion shall annually, or at such other intervals as the board
9 of directors may determine, declare and apportion as a dividend
10 to members, according to its articles of incorporation, such
11 portion of the association’s net profits as it may deem avail-
12 able, and as authorized under this chapter. Members shall
13 participate in dividends in proportion to their respective in-
14 vestments therein. Dividends for a particular month may be
15 paid on sums invested by a member by the tenth day of that
16 month or by such later date of that month as is authorized
17 by the supervisor of savings and loan associations, which
18 shall in no event be later than the twentieth day of a partic-
19 ular month. If the tenth day of said month or other authorized
20 date falls on a Sunday, holiday or another business day on
21 which the particular association is normally closed, then money
22 received by the next business day may earn dividends from the
23 first of that month. The board of directors may also devise
24 other methods of paying dividends, including payment of divi-
25 dends from date of investment to date of withdrawal, subject
26 to the approval of the supervisors.”

27 Sec. 3. Section five hundred thirty-four point nineteen
28 (534.19), subsection six (6), Code 1966, is hereby amended by
29 inserting after the comma in line five (5) the words “and
30 loans on mobile homes.”.

31 Sec. 4. Chapter three hundred eighty-two (382), section
32 seven (7), Acts of the Sixty-second General Assembly, is
33 hereby amended by striking lines four (4) through thirteen
34 (13), inclusive, and inserting in lieu thereof the following:

35 “Every association organized under the provisions of this

1 chapter shall have and exercise all the rights, powers and
 2 privileges pertaining to savings and to loans not in conflict
 3 with the laws of this state, which are conferred upon federal
 4 savings and loan associations by the homeowners loan act of
 5 1933, title twelve (12), section fourteen hundred sixty-four
 6 (1464), United States Code, and conferred by regulations
 7 adopted by the federal home loan bank board and the federal
 8 savings and loan insurance corporation."

EXPLANATION

Section 1 is a redefinition of the "deposit and interest" terminology made necessary by the dates which are now obsolete in the 1969 Act. It removes these dates from the Code.

Section 2 amends section 534.42 of the savings and loan chapter which defines the way in which dividends may be paid to members of an association. Federal associations now have the right to pay interest by variable methods and this would enable state associations to compete on an equal basis.

Section 3 allows state chartered associations to make mobile home loans. Federally chartered associations now have this power under the Homeowners Loan Act as amended by congress last year.

Section 4 updates provisions for operation under the Federal Home Loan Bank and the Federal Savings and Loan Insurance Corporation. It enables state chartered associations to make savings plans and loan plans available for members as provided under the rules of our regulatory agencies. Iowa has 90 savings and loan associations—48 federally chartered associations and 42 state chartered associations. These measures will enable the 42 state chartered associations to compete on an equal basis with the federally chartered associations.

*Proof of
 publication
 3/25*

1 Amend Senate File 1099, page 3, by inserting after line
 2 8 the following new section:
 3 This Act being deemed of immediate importance shall
 4 take effect and be in full force from and after its final
 5 approval and publication in the Council Bluffs Nonpareil,
 6 a newspaper published in Council Bluffs, Iowa, and in the
 7 Times-Democrat, a newspaper published in Davenport, Iowa.

Filed - *accepted 1-27*
 January 23, 1970

By GRIFFIN and THORSEN