

House File 2372 - Introduced

HOUSE FILE 2372
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 635)

A BILL FOR

1 An Act relating to matters under the purview of the banking
2 division of the department of commerce, and including
3 effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I
2 MUTUAL OWNERSHIP FOR STATE-CHARTERED BANKS AND STATE HOLDING
3 COMPANIES TO FACILITATE CONVERSIONS BY FEDERALLY CHARTERED
4 SAVINGS ASSOCIATIONS

5 Section 1. Section 524.103, subsections 27 and 28, Code
6 2011, are amended to read as follows:

7 27. "*Member*" means a person with a membership interest
8 in a state bank organized as a limited liability company or
9 incorporated as a mutual corporation under this chapter.

10 28. "*Membership interest*" means a member's share of the
11 profits and losses, the right to receive distributions of
12 assets, and any right to vote or participate in management of a
13 state bank organized as a limited liability company under this
14 chapter or of a state bank incorporated as a mutual corporation
15 under this chapter.

16 Sec. 2. Section 524.103, Code 2011, is amended by adding the
17 following new subsections:

18 NEW SUBSECTION. 27A. "*Member vote*" means one vote
19 for each one hundred dollars, or fraction thereof, of the
20 withdrawal value of a member's account with respect to a mutual
21 corporation.

22 NEW SUBSECTION. 29A. "*Mutual bank holding company*" means a
23 bank holding company that is a mutual corporation or that owns
24 or controls a mutual corporation.

25 NEW SUBSECTION. 29B. "*Mutual corporation*" means a
26 corporation that is incorporated on a mutual ownership basis
27 under this chapter or converted to become subject to this
28 chapter and is not authorized to issue capital stock.

29 Sec. 3. Section 524.103, subsections 35, 36, and 39, Code
30 2011, are amended to read as follows:

31 35. "*Shareholder*" means one who is a holder of record of
32 shares in a state bank. If a state bank is organized as a
33 limited liability company under this chapter, "*shareholder*"
34 means any a member of the limited liability company. If a
35 state bank is incorporated as a mutual corporation under

1 this chapter, "shareholder" means a member of the mutual
2 corporation.

3 36. "*Shares*" means the units into which the proprietary
4 interests in a state bank incorporated as a stock corporation
5 are divided, including any membership interests of a state bank
6 organized as a limited liability company under this chapter.

7 39. "*State bank*" means any bank incorporated pursuant to
8 the provisions of this chapter after January 1, 1970, and any
9 "*state bank*" or "~~savings bank~~" incorporated pursuant to the laws
10 of this state and doing business as such on January 1, 1970,
11 or a bank organized as a limited liability company or a mutual
12 corporation under this chapter.

13 Sec. 4. Section 524.103, Code 2011, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 39A. "*Stock corporation*" means a
16 corporation which is authorized to issue capital stock.

17 Sec. 5. Section 524.302, subsection 1, paragraph d, Code
18 2011, is amended to read as follows:

19 d. (1) The If the state bank will be a stock corporation,
20 the aggregate number of common and preferred shares which the
21 state bank shall have authority to issue and the par value of
22 such shares. If such shares are to be divided into classes
23 or series, the number of shares of each class or series and
24 a statement of the par value of the shares of each class or
25 series.

26 (2) If the state bank will be a mutual corporation, that the
27 corporation will be a mutual corporation.

28 Sec. 6. NEW SECTION. 524.316 **State banks as mutual**
29 **corporations.**

30 The superintendent may adopt rules to ensure that a state
31 bank incorporated as a mutual corporation is operating in a
32 safe and sound manner and is subject to the superintendent's
33 authority in the same manner as a state bank incorporated as a
34 stock corporation.

35 Sec. 7. Section 524.405, Code 2011, is amended to read as

1 follows:

2 **524.405 Increase or decrease of capital structure.**

3 1. A state bank incorporated as a stock corporation may
4 increase its capital structure or effect an allocation of
5 amounts within its capital structure, by the use of any of the
6 following methods:

7 a. Sale of authorized but unissued shares.

8 b. Transfer of surplus or undivided profits to capital for
9 authorized but unissued shares.

10 c. Transfer of undivided profits to surplus.

11 d. Authorization and issuance of common shares, preferred
12 shares, or capital notes or debentures.

13 2. The superintendent, whenever it appears necessary to do
14 so in the interest of the safety of the deposits of a state
15 bank incorporated as a stock corporation, may require that the
16 capital structure of the state bank be increased by either of
17 the methods provided for in subsection 1, paragraphs "a" and
18 "d".

19 3. Capital or surplus shall not be decreased except with the
20 approval of the superintendent.

21 4. A state bank incorporated as a mutual corporation
22 may raise capital by accepting payments on savings and
23 demand accounts and by any other means authorized by the
24 superintendent. Whenever it appears necessary to do so in
25 the interest of the safety of the deposits of a state bank
26 incorporated as a mutual corporation, the superintendent
27 may require that the capital structure of the state bank be
28 increased by any means authorized by the superintendent.

29 Sec. 8. Section 524.521, subsections 1 and 2, Code 2011, are
30 amended to read as follows:

31 1. The articles of incorporation of a stock corporation
32 must prescribe the classes of shares and the number of shares
33 of each class that the state bank is authorized to issue. If
34 more than one class of shares is authorized, the articles of
35 incorporation must prescribe a distinguishing designation for

1 each class. Prior to the issuance of shares of a class, the
2 preferences, limitations, and relative rights of that class
3 must be described in the articles of incorporation. All shares
4 of a class must have preferences, limitations, and relative
5 rights identical with those of other shares of the same class
6 except to the extent otherwise permitted by section 524.523.

7 2. The articles of incorporation of a stock corporation must
8 authorize both of the following:

9 a. One or more classes of shares that together have
10 unlimited voting rights.

11 b. One or more classes of shares, which may be the same
12 class or classes as those with voting rights, that together
13 are entitled to receive the net assets of the state bank upon
14 dissolution.

15 Sec. 9. Section 524.523, subsection 1, Code 2011, is amended
16 to read as follows:

17 1. The shares of a state bank incorporated as a stock
18 corporation shall be represented by certificates signed by
19 such officers, employees, or agents as are authorized by the
20 articles of incorporation or bylaws to sign. If no contrary
21 provisions are made in the articles of incorporation or bylaws,
22 the certificates shall be signed by the president or a vice
23 president and the cashier or an assistant cashier of the state
24 bank.

25 Sec. 10. Section 524.526, subsection 1, unnumbered
26 paragraph 1, Code 2011, is amended to read as follows:

27 A state bank incorporated as a stock corporation may do any
28 of the following:

29 Sec. 11. Section 524.527, Code 2011, is amended to read as
30 follows:

31 **524.527 Liability of shareholders.**

32 1. A purchaser of the shares of a state bank incorporated as
33 a stock corporation is not liable to the bank, its creditors,
34 or depositors with respect to the shares except to pay the
35 consideration for which the shares were authorized to be issued

1 under section 524.521, or the consideration specified in the
2 subscription agreement authorized under section 524.525.

3 2. Unless otherwise provided in the articles of
4 incorporation, a shareholder of a state bank is not personally
5 liable for the acts or debts of the state bank, its creditors,
6 or depositors.

7 3. A member of a state bank incorporated as a mutual
8 corporation is not personally liable for the acts or debts of
9 the state bank, its creditors, or depositors.

10 Sec. 12. NEW SECTION. 524.538A Voting by member of mutual
11 corporation.

12 All holders of savings, demand, or other authorized
13 accounts of a bank incorporated as or converted to be a
14 mutual corporation are members of the state bank. In the
15 consideration of all questions requiring action by the members
16 of the state bank, each holder of an account shall be permitted
17 to cast one vote for each one hundred dollars, or fraction
18 thereof, of the withdrawal value of the member's account. No
19 member, however, shall cast more than one thousand member
20 votes. All accounts shall be nonassessable.

21 Sec. 13. Section 524.545, Code 2011, is amended to read as
22 follows:

23 **524.545 Options for shares.**

24 A state bank incorporated as a stock corporation may
25 authorize the granting of options to officers and employees to
26 purchase unissued shares of the state bank in accordance with a
27 plan approved by the superintendent.

28 Sec. 14. NEW SECTION. 524.1421 Mutual to stock conversions.

29 1. A mutual corporation, a mutual holding company, a
30 federal mutual association, or a federal mutual holding
31 company, subject to the provisions of this chapter, may convert
32 into a stock corporation that is either a state bank or a
33 state bank mutual bank holding company upon approval of the
34 superintendent.

35 2. A mutual corporation, a mutual holding company, a federal

1 mutual association, or a federal mutual holding company shall
2 make an application to the superintendent for approval of
3 the conversion in a manner prescribed by the superintendent
4 and shall deliver to the superintendent, when available, the
5 following:

6 *a.* Articles of conversion.

7 *b.* A business plan addressing factors prescribed by the
8 superintendent.

9 *c.* Proof of publication of the notice required by section
10 524.1422.

11 *d.* The applicable fee payable to the secretary of state,
12 under section 490.122, for the filing and recording of the
13 articles of conversion.

14 3. The superintendent may adopt rules governing mutual to
15 stock conversions.

16 Sec. 15. NEW SECTION. 524.1422 Notice of mutual to stock
17 conversion.

18 Within thirty days after an application for conversion has
19 been accepted for processing, the mutual corporation, mutual
20 holding company, federal mutual association, or federal mutual
21 holding company shall publish a notice of the delivery of the
22 articles of conversion to the superintendent in a newspaper of
23 general circulation published in the municipal corporation or
24 unincorporated area in which the mutual corporation, mutual
25 holding company, federal mutual association, or federal mutual
26 holding company has its principal place of business, or if
27 there is none, a newspaper of general circulation published
28 in the county, or in a county adjoining the county, in which
29 the mutual corporation, mutual holding company, federal
30 mutual association, or federal mutual holding company has its
31 principal place of business. The notice shall set forth the
32 information required by the superintendent.

33 Sec. 16. Section 524.1504, subsection 1, paragraphs e and f,
34 Code 2011, are amended to read as follows:

35 *e.* The For a stock corporation, the number of shares

1 entitled to vote on the amendment, and if the shares of any
2 class are entitled to vote thereon as a class, the number of
3 shares of each class. For a mutual corporation, the number of
4 member votes entitled to be cast.

5 *f.* The number of shares or member votes voted for and
6 against such amendment, respectively, and if the shares of any
7 class are entitled to vote thereon as a class, the number of
8 shares of each such class voted for and against such amendment.

9 Sec. 17. NEW SECTION. 524.1809 Mutual bank holding
10 companies.

11 1. A state bank may be owned, directly or indirectly, by a
12 mutual bank holding company.

13 2. A mutual holding company authorized pursuant to 12 U.S.C.
14 § 1467a and regulations promulgated thereunder may convert to a
15 mutual bank holding company authorized under this chapter.

16 3. A mutual corporation may reorganize as a mutual holding
17 company in the manner provided in 12 U.S.C. § 1467a(o). The
18 resulting mutual holding company shall be a mutual bank holding
19 company authorized under this chapter.

20 4. A mutual bank holding company authorized under this
21 chapter shall also be subject to chapter 490, the Iowa business
22 corporations Act. If a provision of chapter 490 conflicts with
23 the provisions of this chapter or a rule of the superintendent
24 adopted pursuant to this chapter, the provisions of this
25 chapter or rule of the superintendent shall control.

26 5. The superintendent may adopt rules pursuant to
27 chapter 17A pertaining to mutual bank holding companies and
28 reorganizations into mutual bank holding companies under this
29 chapter.

30 Sec. 18. EFFECTIVE UPON ENACTMENT. This division of this
31 Act, being deemed of immediate importance, takes effect upon
32 enactment.

33 DIVISION II
34 MISCELLANEOUS PROVISIONS

35 Sec. 19. Section 524.226, unnumbered paragraph 4, Code

1 2011, is amended to read as follows:

2 The superintendent, during the period of the
3 superintendent's management of the property and business of the
4 state bank, ~~and prior to such time as the superintendent may~~
5 ~~apply to the district court for appointment as receiver,~~ may
6 require reimbursement by the state bank to the extent of the
7 expenses incurred by the superintendent in connection with such
8 management.

9 Sec. 20. Section 524.802, subsection 9, Code 2011, is
10 amended to read as follows:

11 9. Acquire and hold shares of stock in the appropriate
12 federal home loan bank and to exercise all powers conferred on
13 member banks of the federal home loan bank system that are not
14 inconsistent with this chapter. A purchase of federal home
15 loan bank shares which causes the state bank's holdings to
16 exceed fifteen percent of aggregate capital requires the prior
17 approval of the superintendent. In addition, a state bank
18 may own federal home loan bank shares in an amount exceeding
19 fifteen percent of the state bank's aggregate capital, but not
20 exceeding twenty-five percent of the state bank's aggregate
21 capital, if the ownership of shares exceeding fifteen percent
22 is needed to support the state bank's participation in the
23 federal home loan bank's acquired member assets program as
24 provided for in 12 C.F.R. pt. 955.

25 Sec. 21. Section 524.1103, Code 2011, is amended to read as
26 follows:

27 **524.1103 Exceptions.**

28 1. The provisions of section 524.1102 shall not apply to any
29 affiliate:

30 ~~1-~~ a. Engaged solely in holding or operating real
31 estate used wholly or substantially by the state bank in its
32 operations or acquired for its future use.

33 ~~2-~~ b. Engaged solely in conducting a safe-deposit business
34 or the business of an agricultural credit corporation eligible
35 to discount loans with a farm credit bank.

1 ~~3.~~ c. Engaged solely in holding obligations of the United
2 States, the farm credit banks, the federal home loan banks,
3 or obligations fully guaranteed by the United States as to
4 principal and interest.

5 ~~4.~~ d. Where the affiliate relationship has arisen as
6 a result of shares acquired in satisfaction of a bona fide
7 debt contracted prior to the date of the creation of such
8 relationship provided that such shares shall be sold at public
9 or private sale within one year from the date of the creation
10 of the relationship, unless the time is extended by the
11 superintendent.

12 ~~5.~~ e. Where the affiliate relationship exists by reason
13 of the ownership or control of any voting shares thereof by
14 a state bank as executor, administrator, trustee, receiver,
15 agent, depository, or in any other fiduciary capacity, except
16 where such shares are held for the benefit of all or a majority
17 of the shareholders of such state bank.

18 ~~6.~~ f. Which is a bank.

19 ~~7.~~ g. Which is an operations subsidiary or other subsidiary
20 in which the state bank owns or controls eighty percent or more
21 of the voting shares. However, an operations subsidiary shall
22 not conduct any activity at any location where the state bank
23 itself would not be permitted to conduct that activity without
24 the prior approval of the superintendent.

25 2. a. The superintendent may, in the superintendent's
26 discretion, by regulation or order, exempt transactions or
27 relationships from the requirements of section 524.1102 if
28 the superintendent finds such exemptions to be in the public
29 interest and consistent with the purposes of section 524.1102.

30 b. A state bank may request an exemption from the
31 requirements of section 524.1102 by submitting a written
32 request to the superintendent including all of the following:

33 (1) A detailed description of the transaction or
34 relationship for which the state bank seeks an exemption.

35 (2) A statement of the reasons for exemption of the

1 transaction or relationship.

2 (3) An explanation of how the exemption would be in the
3 public interest and consistent with the purposes of section
4 524.1102.

5 Sec. 22. Section 524.1305, subsection 9, Code 2011, is
6 amended to read as follows:

7 9. If at any time during the course of dissolution
8 proceedings the superintendent finds that the assets of the
9 state bank will not be sufficient to discharge its obligations,
10 the superintendent shall ~~apply to the district court for~~
11 ~~appointment as receiver~~ tender to the federal deposit insurance
12 corporation the receivership in the manner required by section
13 524.1310, and the dissolution shall thereafter be treated as an
14 involuntary dissolution in accordance with the terms of that
15 section and sections 524.1311 and 524.1312.

16 Sec. 23. Section 524.1310, Code 2011, is amended to read as
17 follows:

18 **524.1310 Involuntary dissolution after commencement of**
19 **business — superintendent as receiver.**

20 1. a. In a situation in which the superintendent has
21 required, in accordance with section 524.226, that the state
22 bank cease to carry on its business, the superintendent shall
23 ~~apply to the district court for the county in which the state~~
24 ~~bank is located for appointment as receiver for the state~~
25 ~~bank. The district court shall appoint the superintendent as~~
26 ~~receiver unless the superintendent has tendered the appointment~~
27 ~~to the federal deposit insurance corporation as provided for~~
28 ~~in section 524.1313, in which case the district court shall~~
29 ~~appoint~~ tender to the federal deposit insurance corporation
30 as receiver the receivership for the state bank. The affairs
31 of the state bank shall thereafter be ~~under the direction of~~
32 ~~the district court, and the assets of the state bank shall be~~
33 ~~distributed in accordance with section 524.1312~~ governed by
34 this section, section 524.1311, and the provisions of federal
35 law, and shall be subject to federal court jurisdiction, and

1 the assets of the state bank shall be distributed in accordance
2 with section 524.1312. If there is a conflict between the
3 provisions of state and federal law, federal law shall govern.

4 b. All amounts due creditors and shareholders described
5 in section 490.1440 shall be deposited with the treasurer of
6 state in accordance with that section. Such amounts shall be
7 retained by the treasurer of state and subject to claim in
8 the manner provided for in section 490.1440. Amounts due to
9 depositors who are unknown, or who are under a disability and
10 there is no person legally competent to receive the amount, or
11 who cannot be found after the exercise of reasonable diligence,
12 shall be transmitted to the treasurer of state in the manner
13 required by section 524.1305, subsection 6. Such property
14 shall be treated as abandoned, retained by the treasurer of
15 state, and is subject to claim, in the manner provided for in
16 sections 556.14 to 556.21. ~~The attorney general, or assistants~~
17 ~~appointed by the court, shall represent the superintendent in~~
18 ~~all proceedings connected with the receivership.~~

19 2. Under the receivership, the rights of depositors and
20 other creditors of the insured state bank shall be determined
21 in accordance with the laws of this state.

22 3. The federal deposit insurance corporation as receiver
23 shall possess all the powers, rights, and privileges provided
24 under section 524.1311, except insofar as that section may be
25 in conflict with the laws of the United States.

26 4. If the federal deposit insurance corporation pays or
27 makes available for payment the insured deposit liabilities
28 of an insured state bank, the federal deposit insurance
29 corporation shall be subrogated by operation of law to all
30 rights against such insured state bank of the owners of
31 such deposits in the same manner and to the same extent as
32 subrogation of the federal deposit insurance corporation
33 is provided for in applicable federal law in the case of a
34 national bank.

35 Sec. 24. Section 524.1311, Code 2011, is amended to read as

1 follows:

2 **524.1311 Involuntary dissolution after commencement of**
3 **business — receivership procedure.**

4 1. ~~In all situations in which the superintendent has~~
5 ~~been named the receiver as provided in section 524.1310 the~~
6 ~~superintendent shall make~~ Under the receivership, a diligent
7 effort shall be made to collect and realize on the assets of
8 the state bank, and to make distribution of the proceeds from
9 time to time to those entitled thereto. The superintendent
10 federal deposit insurance corporation may execute assignments,
11 releases, and satisfactions to effectuate sales and transfers
12 as receiver or after the receivership has terminated. ~~Upon~~
13 ~~the order of the court in which the receivership is pending,~~
14 ~~the superintendent~~ The federal deposit insurance corporation
15 may sell or compound all bad or doubtful debts, and, ~~on a like~~
16 ~~order,~~ may sell all the real and personal property of such
17 state bank, ~~on such terms as the court shall direct.~~

18 2. ~~All expenses of the receivership and dissolution shall~~
19 ~~be fixed by the superintendent, subject to the approval of~~
20 ~~the district court, and shall be paid out of the assets of~~
21 ~~the state bank.~~ After the involuntary dissolution of a state
22 bank, the superintendent shall file notice of the dissolution
23 with the secretary of state and the county recorder of the
24 county in which the state bank is located. No fee shall be
25 charged by the secretary of state or the county recorder for
26 the filing or recording. The corporate existence of the state
27 bank shall cease upon filing of the notice of dissolution with
28 the secretary of state.

29 3. ~~At the termination of the receivership, the~~
30 ~~superintendent shall file a final report containing the details~~
31 ~~of the superintendent's actions therein, together with such~~
32 ~~additional facts as the court may require.~~

33 4. ~~Upon the submission and approval of the final report, the~~
34 ~~court shall enter a decree dissolving the state bank whereupon~~
35 ~~the corporate existence of the state bank shall cease. It~~

~~1 shall be the duty of the clerk of such court to cause certified
2 copies of the decree to be filed with and recorded by the
3 secretary of state and the county recorder of the county in
4 which is located the state bank. No fee shall be charged by the
5 secretary of state or said county recorder for the filing or
6 recording thereof.~~

7 Sec. 25. Section 535B.10, subsection 6, Code 2011, is
8 amended by adding the following new paragraph:

9 NEW PARAGRAPH. *h.* The administrator may furnish
10 information relating to supervision of closing agent licensees
11 whose activities relate to the issuance of title guaranty
12 certificates issued by the title guaranty division of the
13 Iowa finance authority to the title guaranty division. The
14 title guaranty division may use this information to satisfy
15 its reinsurance requirements and may provide the information
16 to its reinsurer to the extent necessary to satisfy reinsurer
17 requirements provided the reinsurer agrees to maintain the
18 confidentiality of the information. The title guaranty
19 division shall maintain the confidentiality of the information
20 provided pursuant to this paragraph in all other respects.

21 Sec. 26. Section 602.8102, subsection 72, Code 2011, is
22 amended by striking the subsection.

23 Sec. 27. REPEAL. Section 524.1313, Code 2011, is repealed.

24 Sec. 28. EFFECTIVE UPON ENACTMENT. The following
25 provisions of this division of this Act, being deemed of
26 immediate importance, take effect upon enactment:

27 1. The section of this Act amending section 524.226,
28 unnumbered paragraph 4.

29 2. The section of this Act amending section 524.1305,
30 subsection 9.

31 3. The section of this Act amending section 524.1310.

32 4. The section of this Act amending section 524.1311.

33 5. The section of this Act repealing section 524.1313.

34 6. The section of this Act striking section 602.8102,
35 subsection 72.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

DIVISION III

SAVINGS AND LOAN ASSOCIATIONS

Sec. 29. Section 7C.9, Code 2011, is amended to read as follows:

7C.9 Nonbusiness days.

If the expiration date of either the one-hundred-twenty-day period or the thirty-day extension period described in subsection 1 or 2 of section 7C.7 is a Saturday, Sunday, or any day on which the offices of the state, or banking institutions, ~~or savings and loan associations~~ in the state are authorized or required to close, the expiration date is extended to the first day thereafter which is not a Saturday, Sunday, or other previously described day.

Sec. 30. Section 12.61, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. "Financial institution" means a state bank as defined in section 524.103, subsection 39, a federally chartered state bank having its principal office within this state, a federally chartered credit union having its principal office within this state, a federally chartered savings and loan association having its principal office within the state, a credit union organized under chapter 533, ~~an association incorporated or authorized to do business under chapter 534,~~ or a trust company organized or incorporated under the laws of this state.

Sec. 31. Section 12.71, subsection 5, Code 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or

1 belonging to them.

2 Sec. 32. Section 12.81, subsection 5, Code 2011, is amended
3 to read as follows:

4 5. The bonds are securities in which public officers and
5 bodies of this state; political subdivisions of this state;
6 insurance companies and associations and other persons carrying
7 on an insurance business; banks, trust companies, savings
8 associations, ~~savings and loan associations~~, and investment
9 companies; administrators, guardians, executors, trustees,
10 and other fiduciaries; and other persons authorized to invest
11 in bonds or other obligations of the state, may properly and
12 legally invest funds, including capital, in their control or
13 belonging to them.

14 Sec. 33. Section 12.87, subsection 5, Code Supplement 2011,
15 is amended to read as follows:

16 5. The bonds are securities in which public officers and
17 bodies of this state; political subdivisions of this state;
18 insurance companies and associations and other persons carrying
19 on an insurance business; banks, trust companies, savings
20 associations, ~~savings and loan associations~~, and investment
21 companies; administrators, guardians, executors, trustees,
22 and other fiduciaries; and other persons authorized to invest
23 in bonds or other obligations of the state, may properly and
24 legally invest funds, including capital, in their control or
25 belonging to them.

26 Sec. 34. Section 12.91, subsection 6, Code 2011, is amended
27 to read as follows:

28 6. The bonds are securities in which public officers and
29 bodies of this state; political subdivisions of this state;
30 insurance companies and associations and other persons carrying
31 on an insurance business; banks, trust companies, savings
32 associations, ~~savings and loan associations~~, and investment
33 companies; administrators, guardians, executors, trustees,
34 and other fiduciaries; and other persons authorized to invest
35 in bonds or other obligations of the state may properly and

1 legally invest funds, including capital, in their control or
2 belonging to them.

3 Sec. 35. Section 12A.4, subsection 4, Code 2011, is amended
4 to read as follows:

5 4. Bonds issued under this chapter are investment
6 securities and negotiable instruments within the meaning of
7 and for purposes of the uniform commercial code, chapter
8 554. Bonds are securities in which public officers and
9 bodies of this state; political subdivisions of this state;
10 insurance companies and associations and other persons carrying
11 on an insurance business; banks, trust companies, savings
12 associations, ~~savings and loan associations~~, and investment
13 companies; administrators, guardians, executors, trustees, and
14 other fiduciaries; and other persons authorized to invest in
15 bonds of the state, may properly and legally invest funds,
16 including capital, in their control or belonging to them.

17 Sec. 36. Section 12C.1, subsection 2, Code Supplement 2011,
18 is amended to read as follows:

19 2. As used in this chapter unless the context otherwise
20 requires:

21 *a.* "Bank" means a corporation or limited liability company
22 engaged in the business of banking and organized under the laws
23 of this state, another state, or the United States. "Bank" also
24 means a savings and loan, savings association, or savings bank
25 organized under the laws of ~~this state~~, another state, or the
26 United States.

27 *b.* "Credit union" means a cooperative, nonprofit association
28 incorporated under chapter 533 or the federal Credit Union Act,
29 12 U.S.C. § 1751 et seq., and that is insured by the national
30 credit union administration and includes an office of a credit
31 union.

32 *c.* "Depository" means a bank, ~~a savings and loan~~, or a
33 credit union in which public funds are deposited under this
34 chapter.

35 *d.* "Financial institution" means a bank or a credit union.

1 *e.* "Public funds" and "public deposits" mean any of the
2 following:

3 (1) The moneys of the state or a political subdivision
4 or instrumentality of the state including a county,
5 school corporation, special district, drainage district,
6 unincorporated town or township, municipality, or municipal
7 corporation or any agency, board, or commission of the state
8 or a political subdivision. Moneys of the state include
9 moneys which are transmitted to a depository for purposes of
10 completing an electronic financial transaction pursuant to
11 section 159.35.

12 (2) The moneys of any court or public body noted in
13 subsection 1.

14 (3) The moneys of a legal or administrative entity created
15 pursuant to chapter 28E.

16 (4) The moneys of an electric power agency as defined in
17 section 28F.2 or 390.9.

18 (5) Federal and state grant moneys of a quasi-public
19 state entity that are placed in a depository pursuant to this
20 chapter.

21 (6) Moneys placed in a depository for the purpose of
22 completing an electronic financial transaction pursuant to
23 section 8A.222 or 331.427.

24 *f.* "Public officer" means the person authorized by and
25 acting for a public body to deposit public funds of the public
26 body.

27 ~~*g.* "Savings and loan" means a corporation authorized to~~
28 ~~operate under chapter 534 or the federal Home Owner's Loan Act~~
29 ~~of 1933, 12 U.S.C. § 1461 et seq., and includes a savings and~~
30 ~~loan association, a savings bank, or any branch of a savings~~
31 ~~and loan association or savings bank.~~

32 ~~*h.*~~ *g.* "Superintendent" means the superintendent of
33 banking of this state when the depository is a bank, and
34 the superintendent of credit unions of this state when the
35 depository is a credit union.

1 ~~i.~~ h. "Uninsured public funds" means any amount of
2 public funds of a public funds depositor on deposit in an
3 account at a financial institution that exceeds the amount of
4 public funds in that account that are insured by the federal
5 deposit insurance corporation or the national credit union
6 administration.

7 Sec. 37. Section 12C.13, Code 2011, is amended to read as
8 follows:

9 **12C.13 Deposit not membership.**

10 Notwithstanding chapter ~~534~~ 524, the deposit of public
11 funds in a credit union as defined in section 533.102 or ~~an~~
12 ~~association defined in section 534.102~~ a mutual corporation
13 as defined in section 524.103 does not constitute being
14 a shareholder, stockholder, or owner of a corporation in
15 violation of Article VIII of the Constitution of the State of
16 Iowa or any other provision of law.

17 Sec. 38. Section 12C.20, subsections 1 and 4, Code 2011, are
18 amended to read as follows:

19 1. On or before the tenth day of February, May, August,
20 and November of each year, each ~~savings and loan and each~~
21 out-of-state bank that has one or more branches in the state
22 shall calculate and certify to the superintendent of banking in
23 the form prescribed by the superintendent the amount of public
24 funds on deposit ~~at the savings and loan and~~ at each such
25 branch of the out-of-state bank as of the end of the previous
26 calendar quarter.

27 4. On or before the twentieth day of February, May, August,
28 and November of each year, the superintendent shall notify the
29 treasurer of state of the amount of collateral required to be
30 pledged as of the end of the previous calendar quarter based
31 upon the certification provided to the superintendent under
32 subsection 1 or 2 and a review by the superintendent of the
33 quarterly call report filed by each bank that is not ~~a savings~~
34 ~~and loan or~~ an out-of-state bank.

35 Sec. 39. Section 12E.11, subsection 8, Code 2011, is amended

1 to read as follows:

2 8. The bonds issued under this chapter are securities in
3 which insurance companies and associations and other persons
4 engaged in the business of insurance; banks, trust companies,
5 savings associations, ~~savings and loan associations~~, and
6 investment companies; administrators, guardians, executors,
7 trustees, and other fiduciaries; and other persons authorized
8 to invest in bonds or other obligations of the state may
9 properly and legally invest funds, including capital, in their
10 control or belonging to them.

11 Sec. 40. Section 16.1, subsection 1, paragraph y, Code
12 Supplement 2011, is amended to read as follows:

13 y. "*Mortgage lender*" means any bank, trust company, mortgage
14 company, national banking association, federal savings and loan
15 association, life insurance company, any governmental agency,
16 or any other financial institution authorized to make mortgage
17 loans in this state and includes a financial institution as
18 defined in section 496B.2, subsection 4, which lends moneys for
19 industrial or business purposes.

20 Sec. 41. Section 16.30, Code 2011, is amended to read as
21 follows:

22 **16.30 Bonds and notes as legal investments.**

23 Bonds and notes of the authority are securities in which
24 public officers, state departments and agencies, political
25 subdivisions, insurance companies, and other persons carrying
26 on an insurance business, banks, trust companies, savings and
27 ~~loan~~ associations, investment companies and other persons
28 carrying on a banking business, administrators, executors,
29 guardians, conservators, trustees and other fiduciaries,
30 and other persons authorized to invest in bonds or other
31 obligations of this state, may properly and legally invest
32 funds including capital in their control or belonging to them.
33 The bonds and notes are also securities which may be deposited
34 with and may be received by public officers, state departments
35 and agencies, and political subdivisions, for any purpose for

1 which the deposit of bonds or other obligations of this state
2 is authorized.

3 Sec. 42. Section 16.177, subsection 5, Code 2011, is amended
4 to read as follows:

5 5. The bonds are securities in which public officers and
6 bodies of this state, political subdivisions of this state,
7 insurance companies and associations and other persons carrying
8 on an insurance business, banks, trust companies, savings
9 associations, ~~savings and loan associations~~, and investment
10 companies, administrators, guardians, executors, trustees,
11 and other fiduciaries, and other persons authorized to invest
12 in bonds or other obligations of the state, may properly and
13 legally invest funds, including capital, in their control or
14 belonging to them.

15 Sec. 43. Section 28J.18, Code 2011, is amended to read as
16 follows:

17 **28J.18 Revenue bonds are lawful investments.**

18 Port authority revenue bonds issued pursuant to this
19 chapter are lawful investments of banks, credit unions, trust
20 companies, savings ~~and loan~~ associations, deposit guaranty
21 associations, insurance companies, trustees, fiduciaries,
22 trustees or other officers having charge of the bond retirement
23 funds or sinking funds of port authorities and governmental
24 agencies, and taxing districts of this state, the pension
25 and annuity retirement system, the Iowa public employees'
26 retirement system, the police and fire retirement systems under
27 chapters 410 and 411, a revolving fund of a governmental agency
28 of this state, and are acceptable as security for the deposit
29 of public funds under chapter 12C.

30 Sec. 44. Section 68A.503, subsections 1 through 4, Code
31 2011, are amended to read as follows:

32 1. Except as provided in subsections 3, 4, 5, and 6, an
33 insurance company, savings ~~and loan~~ association, bank, credit
34 union, or corporation shall not make a monetary or in-kind
35 contribution to a candidate or committee except for a ballot

1 issue committee.

2 2. Except as provided in subsection 3, a candidate or
3 committee, except for a ballot issue committee, shall not
4 receive a monetary or in-kind contribution from an insurance
5 company, savings and ~~loan~~ association, bank, credit union, or
6 corporation.

7 3. An insurance company, savings and ~~loan~~ association,
8 bank, credit union, or corporation may use money, property,
9 labor, or any other thing of value of the entity for the
10 purposes of soliciting its stockholders, administrative
11 officers, professional employees, and members for contributions
12 to a political committee sponsored by that entity and for
13 financing the administration of a political committee sponsored
14 by that entity. The entity's employees to whom the foregoing
15 authority does not extend may voluntarily contribute to
16 such a political committee but shall not be solicited for
17 contributions. A candidate or committee may solicit, request,
18 and receive money, property, labor, and any other thing of
19 value from a political committee sponsored by an insurance
20 company, savings and ~~loan~~ association, bank, credit union, or
21 corporation as permitted by this subsection.

22 4. The prohibitions in subsections 1 and 2 shall not apply
23 to an insurance company, savings and ~~loan~~ association, bank,
24 credit union, or corporation engaged in any of the following
25 activities:

26 a. Using its funds to encourage registration of voters and
27 participation in the political process or to publicize public
28 issues.

29 b. Using its funds to expressly advocate the passage or
30 defeat of ballot issues.

31 c. Using its funds for independent expenditures as provided
32 in section 68A.404.

33 d. Using its funds to place campaign signs as permitted
34 under section 68A.406.

35 Sec. 45. Section 175.2, subsection 1, paragraphs 1 and o,

1 Code 2011, are amended to read as follows:

2 1. "*Lending institution*" means a bank, trust company,
3 mortgage company, national banking association, ~~savings~~
4 ~~and loan association~~, life insurance company, any state or
5 federal governmental agency or instrumentality, including
6 without limitation the federal land bank or any of its local
7 associations, or any other financial institution or entity
8 authorized to make farm operating loans in this state.

9 o. "*Mortgage lender*" means a bank, trust company,
10 mortgage company, national banking association, ~~savings~~
11 ~~and loan association~~, life insurance company, any state or
12 federal governmental agency or instrumentality, including
13 without limitation the federal land bank or any of its local
14 associations, or any other financial institution or entity
15 authorized to make mortgage loans or secured loans in this
16 state.

17 Sec. 46. Section 175.21, Code 2011, is amended to read as
18 follows:

19 **175.21 Bonds and notes as legal investments.**

20 Bonds and notes are securities in which public officers,
21 state departments and agencies, political subdivisions,
22 insurance companies and other persons carrying on an
23 insurance business, banks, trust companies, ~~savings and loan~~
24 ~~associations~~, investment companies and other persons carrying
25 on a banking business, administrators, executors, guardians,
26 conservators, trustees and other fiduciaries and other persons
27 authorized to invest in bonds or other obligations of this
28 state may properly and legally invest funds including capital
29 in their control or belonging to them. The bonds and notes
30 are also securities which may be deposited with and may be
31 received by public officers, state departments and agencies and
32 political subdivisions for any purpose for which the deposit of
33 bonds or other obligations of this state is authorized.

34 Sec. 47. Section 179.1, subsection 8, Code 2011, is amended
35 to read as follows:

1 8. "*Qualified financial institution*" means a bank, or credit
2 union, ~~or savings and loan~~ as defined in section 12C.1.

3 Sec. 48. Section 181.1, subsection 7, Code 2011, is amended
4 to read as follows:

5 7. "*Qualified financial institution*" means a bank, or credit
6 union, ~~or savings and loan~~ as defined in section 12C.1.

7 Sec. 49. Section 183A.1, subsection 9, Code 2011, is amended
8 to read as follows:

9 9. "*Qualified financial institution*" means a bank, or credit
10 union, ~~or savings and loan~~ as defined in section 12C.1.

11 Sec. 50. Section 184.1, subsection 10, Code 2011, is amended
12 to read as follows:

13 10. "*Qualified financial institution*" means a bank, or
14 credit union, ~~or savings and loan~~ as defined in section 12C.1.

15 Sec. 51. Section 184A.1, subsection 8, Code 2011, is amended
16 to read as follows:

17 8. "*Qualified financial institution*" means a bank, or credit
18 union, ~~or savings and loan~~ as defined in section 12C.1.

19 Sec. 52. Section 185.1, subsection 13, Code 2011, is amended
20 to read as follows:

21 13. "*Qualified financial institution*" means a bank, or
22 credit union, ~~or savings and loan~~ as defined in section 12C.1.

23 Sec. 53. Section 185C.1, subsection 13, Code 2011, is
24 amended to read as follows:

25 13. "*Qualified financial institution*" means a bank, or
26 credit union, ~~or savings and loan~~ as defined in section 12C.1.

27 Sec. 54. Section 202C.1, subsection 4, Code 2011, is amended
28 to read as follows:

29 4. "*Financial institution*" means a bank or savings and
30 loan association authorized by ~~this state or~~ by the laws of
31 the United States, which is a member of the federal deposit
32 insurance corporation, the federal savings and loan insurance
33 corporation, or the national bank for cooperatives established
34 in the Agricultural Credit Act, Pub. L. No. 100-233.

35 Sec. 55. Section 203.1, subsection 7, paragraph a, Code

1 2011, is amended to read as follows:

2 a. A bank or savings ~~and loan~~ association authorized by
3 the laws of ~~this state~~, any other state, or the United States,
4 which is a member of the federal deposit insurance corporation.

5 Sec. 56. Section 206.2, subsection 12, Code 2011, is amended
6 to read as follows:

7 12. "*Financial institution*" means a bank or savings ~~and~~
8 ~~loan~~ association authorized by ~~this state or by~~ the laws of
9 the United States, which is a member of the federal deposit
10 insurance corporation or the federal savings and loan insurance
11 corporation.

12 Sec. 57. Section 216.10, subsection 1, paragraph b, Code
13 2011, is amended to read as follows:

14 b. Person authorized or licensed to do business in this
15 state pursuant to chapter 524, 533, ~~534~~, 536, or 536A to refuse
16 to loan or extend credit or to impose terms or conditions
17 more onerous than those regularly extended to persons of
18 similar economic backgrounds because of age, color, creed,
19 national origin, race, religion, marital status, sex, sexual
20 orientation, gender identity, physical disability, or familial
21 status.

22 Sec. 58. Section 234.37, Code 2011, is amended to read as
23 follows:

24 **234.37 Department may establish accounts for certain**
25 **children.**

26 The department of human services is authorized to establish
27 an account in the name of any child committed to the director
28 of human services or the director's designee, or whose legal
29 custody has been transferred to the department, or who is
30 voluntarily placed in foster care pursuant to section 234.35.
31 Any money which the child receives from the United States
32 government or any private source shall be placed in the child's
33 account, unless a guardian of the child's property has been
34 appointed and demands the money, in which case it shall be
35 paid to the guardian. The account shall be maintained by the

1 department as trustee for the child in an interest-bearing
2 account at a reputable bank or savings ~~and loan~~ association,
3 except that if the child is residing at an institution
4 administered by the department a limited amount of the child's
5 funds may be maintained in a separate account, which need not
6 be interest bearing, in the child's name at the institution.
7 Any money held in an account in the child's name or in trust
8 for the child under this section may be used, at the discretion
9 of the department and subject to restrictions lawfully imposed
10 by the United States government or other source from which
11 the child receives the funds, for the purchase of personal
12 incidentals, desires and comforts of the child. All of the
13 money held for a child by the department under this section
14 and not used in the child's behalf as authorized by law shall
15 be promptly paid to the child or the child's parent or legal
16 guardian upon termination of the commitment of the child to
17 the director or the director's designee, or upon transfer or
18 cessation of legal custody of the child by the department.

19 Sec. 59. Section 235B.19, subsection 3, paragraph d,
20 subparagraph (2), Code Supplement 2011, is amended to read as
21 follows:

22 (2) Withdrawing funds from any bank, savings ~~and loan~~
23 association, credit union, or other financial institution, or
24 from an account containing securities in which the dependent
25 adult has an interest.

26 Sec. 60. Section 235B.19, subsection 8, paragraph f, Code
27 Supplement 2011, is amended to read as follows:

28 f. Withdrawing funds from any bank, savings ~~and loan~~
29 association, credit union, or other financial institution,
30 or from a stock account in which the dependent adult has an
31 interest.

32 Sec. 61. Section 252I.1, subsection 1, Code 2011, is amended
33 to read as follows:

34 1. "Account" means "account" as defined in section 524.103,
35 ~~"share account or shares" as defined in section 534.102,~~

1 the savings or deposits of a member received or being held
2 by a credit union, or certificates of deposit. "Account"
3 also includes deposits held by an agent, a broker-dealer,
4 or an issuer as defined in section 502.102 and money-market
5 mutual fund accounts and "account" as defined in 42 U.S.C.
6 § 666(a)(17). However, "account" does not include amounts held
7 by a financial institution as collateral for loans extended by
8 the financial institution.

9 Sec. 62. Section 252I.1, subsection 7, Code 2011, is amended
10 by striking the subsection.

11 Sec. 63. Section 257C.8, subsection 7, Code 2011, is amended
12 to read as follows:

13 7. The bonds of the authority are securities in which public
14 officers and bodies of this state; political subdivisions of
15 this state; insurance companies and associations and other
16 persons carrying on an insurance business; banks, trust
17 companies, savings associations, ~~savings and loan associations,~~
18 and investment companies; administrators, guardians, executors,
19 trustees, and other fiduciaries; and other persons authorized
20 to invest in bonds or other obligations of the state, may
21 properly and legally invest funds, including capital, in their
22 control or belonging to them.

23 Sec. 64. Section 260C.64, Code 2011, is amended to read as
24 follows:

25 **260C.64 Who may invest.**

26 All banks, trust companies, building and loan associations,
27 savings ~~and loan~~ associations, investment companies, and other
28 persons carrying on an investment business, all insurance
29 companies, insurance associations, and other persons carrying
30 on an insurance business, and all executors, administrators,
31 guardians, trustees, and other fiduciaries may legally invest
32 any sinking funds, moneys or other funds belonging to them or
33 within their control in any bonds or notes issued pursuant to
34 this division. However, this section shall not be construed as
35 relieving any persons from any duty of exercising reasonable

1 care in selecting securities for purchase or investment.

2 Sec. 65. Section 261.71, subsection 2, Code 2011, is amended
3 to read as follows:

4 2. The contract for the loan repayment shall stipulate
5 the time period the chiropractor shall practice in an
6 underserved area in this state. In addition, the contract
7 shall stipulate that the chiropractor repay any funds paid on
8 the chiropractor's loan by the commission if the chiropractor
9 fails to practice in an underserved area in this state for the
10 required period of time. Forgivable loans made to eligible
11 students shall not become due, for repayment purposes, until
12 one year after the student has graduated. A loan that has
13 not been forgiven may be sold to a bank, savings ~~and loan~~
14 association, credit union, or nonprofit agency eligible to
15 participate in the guaranteed student loan program under the
16 federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq.,
17 by the commission when the loan becomes due for repayment.

18 Sec. 66. Section 261A.19, Code 2011, is amended to read as
19 follows:

20 **261A.19 Investment of funds of authority.**

21 Except as otherwise provided in section 261A.18, subsection
22 3, the authority may invest funds in direct obligations
23 of the United States of America; obligations for which the
24 timely payment of principal and interest is fully guaranteed
25 by the United States of America; obligations of the federal
26 intermediate credit banks, federal banks for cooperatives,
27 federal land banks, federal home loan banks, federal national
28 mortgage association, government national mortgage association
29 and the student loan marketing association; certificates of
30 deposit or time deposits constituting direct obligations of a
31 bank as defined by chapter 524; and in withdrawable capital
32 accounts or deposits of ~~state or~~ federal chartered savings ~~and~~
33 ~~loan~~ associations which are insured by the federal ~~savings~~
34 ~~and loan~~ deposit insurance corporation. However, investments
35 may be made only in certificates of deposit or time deposits

1 in banks which are insured by the federal deposit insurance
2 corporation if then in existence. Securities authorized in
3 this section may be purchased at the offering or market price
4 at the time of the purchase. The securities purchased shall
5 mature or be redeemable on dates prior to the time when, in the
6 judgment of the authority, the funds invested will be required
7 for expenditure. The judgment of the authority as to the time
8 when funds will be required for expenditure or be redeemable is
9 final.

10 Sec. 67. Section 261A.20, Code 2011, is amended to read as
11 follows:

12 **261A.20 Obligations as legal investments.**

13 Banks, bankers, trust companies, ~~savings banks and~~
14 ~~institutions, building and loan associations, federally~~
15 chartered savings and loan associations, investment companies,
16 and other persons carrying on a banking or investment business,
17 insurance companies and insurance associations, and executors,
18 administrators, guardians, trustees, and other fiduciaries
19 may legally invest sinking funds, moneys, or other funds
20 belonging to them or within their control in obligations of the
21 authority.

22 Sec. 68. Section 262.63, Code 2011, is amended to read as
23 follows:

24 **262.63 Who may invest.**

25 All banks, trust companies, ~~building and loan associations,~~
26 ~~savings and loan associations,~~ investment companies, and other
27 persons carrying on an investment business, all insurance
28 companies, insurance associations, and other persons carrying
29 on an insurance business, and all executors, administrators,
30 guardians, trustees, and other fiduciaries may legally invest
31 any sinking funds, moneys, or other funds belonging to them or
32 within their control in any bonds or notes issued pursuant to
33 this division; provided, however, that nothing contained in
34 this section may be construed as relieving any persons from any
35 duty of exercising reasonable care in selecting securities for

1 purchase or investment.

2 Sec. 69. Section 262A.11, Code 2011, is amended to read as
3 follows:

4 **262A.11 Bonds as security for investments.**

5 All banks, trust companies, bankers, ~~savings banks and~~
6 ~~institutions, building and loan associations,~~ savings and
7 ~~loan associations,~~ investment companies, and other persons
8 carrying on a banking or investment business, all insurance
9 companies, insurance associations, and other persons carrying
10 on an insurance business, and all executors, administrators,
11 guardians, trustees, and other fiduciaries may legally invest
12 any sinking funds, moneys, or other funds belonging to them
13 or within their control in any bonds issued pursuant to this
14 chapter; provided, however, that nothing contained in this
15 section may be construed as relieving any persons from any
16 duty of exercising reasonable care in selecting securities for
17 purchase or investment.

18 Sec. 70. Section 263A.9, Code 2011, is amended to read as
19 follows:

20 **263A.9 Investment in bonds or notes by financial**
21 **institutions.**

22 All banks, trust companies, bankers, ~~savings banks and~~
23 ~~institutions, building and loan associations,~~ savings and
24 ~~loan associations,~~ investment companies, and other persons
25 carrying on a banking or investment business, all insurance
26 companies, insurance associations, and other persons carrying
27 on an insurance business, and all executors, administrators,
28 guardians, trustees, and other fiduciaries may legally invest
29 any sinking funds, moneys, or other funds belonging to them
30 or within their control in any bonds or notes issued pursuant
31 to this chapter; provided, however, that nothing contained in
32 this section may be construed as relieving any persons from any
33 duty of exercising reasonable care in selecting securities for
34 purchase or investment.

35 Sec. 71. Section 322.7A, subsection 6, paragraph e, Code

1 2011, is amended to read as follows:

2 *e.* Banks, credit unions, and savings ~~and loan~~ associations.

3 Sec. 72. Section 331.301, subsection 10, paragraph *g*, Code
4 Supplement 2011, is amended to read as follows:

5 *g.* A lease or lease-purchase contract to which a county is
6 a party or in which a county has a participatory interest is
7 an obligation of a political subdivision of this state for the
8 purposes of chapters 502 and 636, and is a lawful investment
9 for banks, trust companies, ~~building and loan associations,~~
10 ~~savings and loan~~ associations, investment companies, insurance
11 companies, insurance associations, executors, guardians,
12 trustees, and any other fiduciaries responsible for the
13 investment of funds.

14 Sec. 73. Section 331.402, subsection 3, paragraph *f*, Code
15 Supplement 2011, is amended to read as follows:

16 *f.* A loan agreement to which a county is a party or in which
17 a county has a participatory interest is an obligation of a
18 political subdivision of this state for the purpose of chapters
19 502 and 636, and is a lawful investment for banks, trust
20 companies, ~~savings and loan~~ associations, investment companies,
21 insurance companies, insurance associations, executors,
22 guardians, trustees, and any other fiduciaries responsible for
23 the investment of funds.

24 Sec. 74. Section 331.602, subsection 27, Code 2011, is
25 amended by striking the subsection.

26 Sec. 75. Section 364.4, subsection 4, paragraph *g*, Code
27 Supplement 2011, is amended to read as follows:

28 *g.* A lease or lease-purchase contract to which a city is
29 a party or in which a city has a participatory interest is an
30 obligation of a political subdivision of this state for the
31 purposes of chapters 502 and 636, and is a lawful investment
32 for banks, trust companies, ~~building and loan associations,~~
33 ~~savings and loan~~ associations, investment companies, insurance
34 companies, insurance associations, executors, guardians,
35 trustees, and any other fiduciaries responsible for the

1 investment of funds.

2 Sec. 76. Section 384.24A, subsection 6, Code 2011, is
3 amended to read as follows:

4 6. A loan agreement to which a city is a party or in
5 which the city has a participatory interest is an obligation
6 of a political subdivision of this state for the purposes of
7 chapters 502 and 636, and is a lawful investment for banks,
8 trust companies, ~~building and loan associations,~~ savings and
9 ~~loan associations,~~ investment companies, insurance companies,
10 insurance associations, executors, guardians, trustees, and any
11 other fiduciaries responsible for the investment of funds.

12 Sec. 77. Section 390.20, subsection 1, Code 2011, is amended
13 to read as follows:

14 1. A bank, trust company, savings association, ~~building and~~
15 ~~loan association, savings and loan association,~~ or investment
16 company.

17 Sec. 78. Section 403.10, Code 2011, is amended to read as
18 follows:

19 **403.10 Bonds as legal investment.**

20 All banks, trust companies, ~~building and loan associations,~~
21 ~~savings and loan associations,~~ investment companies, and other
22 persons carrying on an investment business; all insurance
23 companies, insurance associations, and other persons carrying
24 on an insurance business; and all executors, administrators,
25 curators, trustees, and other fiduciaries, may legally invest
26 any sinking funds, moneys, or other funds belonging to them or
27 within their control in any bonds or other obligations issued
28 by a municipality pursuant to this chapter, or those issued
29 by any urban renewal agency vested with urban renewal project
30 powers under section 403.14. Such bonds and other obligations
31 shall be authorized security for all public deposits. It is
32 the purpose of this section to authorize any persons, political
33 subdivisions and officers, public or private, to use any funds
34 owned or controlled by them for the purchase of any such bonds
35 or other obligations. Nothing contained in this section with

1 regard to legal investments shall be construed as relieving any
2 person of any duty of exercising reasonable care in selecting
3 securities.

4 Sec. 79. Section 421.17A, subsection 1, paragraph a, Code
5 2011, is amended to read as follows:

6 a. "*Account*" means "account" as defined in section 524.103,
7 ~~"share account or shares" as defined in section 534.102,~~ or
8 the savings or deposits of a member received or being held by
9 a credit union or a savings association, or certificates of
10 deposit. "*Account*" also includes deposits held by an agent,
11 a broker-dealer, or an issuer as defined in section 502.102.
12 However, "*account*" does not include amounts held by a financial
13 institution as collateral for loans extended by the financial
14 institution.

15 Sec. 80. Section 421.17A, subsection 1, paragraph e, Code
16 2011, is amended to read as follows:

17 e. "*Financial institution*" includes a bank, credit union,
18 or savings ~~and loan~~ association. "*Financial institution*" also
19 includes an institution which holds deposits for an agent,
20 broker-dealer, or an issuer as defined in section 502.102.

21 Sec. 81. Section 421.17A, subsection 1, paragraph g, Code
22 2011, is amended by striking the paragraph.

23 Sec. 82. Section 422.34, subsection 1, Code 2011, is amended
24 to read as follows:

25 1. All state, national, private, cooperative, and savings
26 banks, credit unions, title insurance and trust companies,
27 federally chartered savings and loan associations, production
28 credit associations, insurance companies or insurance
29 associations, reciprocal or inter-insurance exchanges, and
30 fraternal beneficiary associations.

31 Sec. 83. Section 422.61, subsection 1, Code 2011, is amended
32 to read as follows:

33 1. "*Financial institution*" means a state bank as defined in
34 section 524.103, subsection 39, a state bank chartered under
35 the laws of any other state, a national banking association,

1 a trust company, a federally chartered savings and loan
2 association, an out-of-state state chartered savings bank, a
3 financial institution chartered by the federal home loan bank
4 board, a non-Iowa chartered savings and loan association, ~~an~~
5 ~~association incorporated or authorized to do business under~~
6 ~~chapter 534,~~ or a production credit association.

7 Sec. 84. Section 423.2, subsection 6, paragraph b, Code
8 Supplement 2011, is amended to read as follows:

9 b. For the purposes of this subsection, "*financial*
10 *institutions*" means all national banks, federally chartered
11 savings and loan associations, federally chartered savings
12 banks, federally chartered credit unions, banks organized under
13 chapter 524, ~~savings and loan associations and savings banks~~
14 ~~organized under chapter 534,~~ credit unions organized under
15 chapter 533, and all banks, savings banks, credit unions, and
16 savings and loan associations chartered or otherwise created
17 under the laws of any state and doing business in Iowa.

18 Sec. 85. Section 445.5, subsection 2, paragraph a,
19 subparagraph (4), Code Supplement 2011, is amended to read as
20 follows:

21 (4) Financial institution organized or chartered or holding
22 an authorization certificate pursuant to chapter 524, or 533,
23 ~~or 534.~~

24 Sec. 86. Section 455G.6, subsection 11, Code 2011, is
25 amended to read as follows:

26 11. The bonds are securities in which public officers and
27 bodies of this state; political subdivisions of this state;
28 insurance companies and associations and other persons carrying
29 on an insurance business; banks, trust companies, savings
30 associations, ~~savings and loan associations,~~ and investment
31 companies; administrators, guardians, executors, trustees,
32 and other fiduciaries; and other persons authorized to invest
33 in bonds or other obligations of the state, may properly and
34 legally invest funds, including capital, in their control or
35 belonging to them.

1 Sec. 87. Section 463C.12, subsection 5, Code 2011, is
2 amended to read as follows:

3 5. The bonds are securities in which public officers and
4 bodies of this state, political subdivisions of this state,
5 insurance companies and associations and other persons carrying
6 on an insurance business, banks, trust companies, savings
7 associations, ~~savings and loan associations~~, and investment
8 companies, administrators, guardians, executors, trustees,
9 and other fiduciaries, and other persons authorized to invest
10 in bonds or other obligations of the state, may properly and
11 legally invest funds, including capital, in their control or
12 belonging to them.

13 Sec. 88. Section 483A.55, Code 2011, is amended to read as
14 follows:

15 **483A.55 Bonds as legal investments.**

16 Bonds are securities in which all public officers and bodies
17 of the state and all municipalities and political subdivisions
18 of this state, all insurance companies and associations
19 and other persons carrying on an insurance business, all
20 banks, bankers, trust companies, ~~savings banks~~, and savings
21 associations, ~~including savings and loan associations, building~~
22 ~~loan associations~~, investment companies, and other persons
23 carrying on a banking business, all administrators, guardians,
24 executors, trustees, and other fiduciaries and all other
25 persons who are now or may be authorized to invest in bonds or
26 other obligations of this state may properly and legally invest
27 funds including capital in their control or belonging to them.
28 The bonds are also securities which may be deposited with and
29 may be received by all public officers and bodies of the state
30 and all municipalities and legal subdivisions of this state for
31 any purpose for which the deposit of bonds or other obligations
32 of the state is now or may be authorized.

33 Sec. 89. Section 490.1701, subsection 2, Code 2011, is
34 amended to read as follows:

35 2. Unless otherwise provided, this chapter does not apply to

1 an entity subject to chapter 174, 497, 498, 499, 499A, 524, or
2 533, ~~or 534~~ or a corporation organized on the mutual plan under
3 chapter 491, or a telephone company organized as a corporation
4 under chapter 491 qualifying pursuant to an internal revenue
5 service letter ruling under Internal Revenue Code § 501(c)(12)
6 as a nonprofit corporation entitled to distribute profits in a
7 manner similar to a chapter 499 corporation, unless such entity
8 voluntarily elects to adopt the provisions of this chapter and
9 complies with the procedure prescribed by subsection 3 of this
10 section.

11 A corporation organized under chapter 496C may voluntarily
12 elect to adopt the provisions of this chapter by complying with
13 the provisions prescribed by subsection 3.

14 Sec. 90. Section 491.10, Code 2011, is amended to read as
15 follows:

16 **491.10 Interpretative clause.**

17 Nothing in sections 491.5 to 491.9 shall be construed as
18 repealing or modifying any statute now in force in respect to
19 the approval of articles of incorporation relating to insurance
20 companies, ~~building and loan associations~~ or investment
21 companies.

22 Sec. 91. Section 491.50, unnumbered paragraph 2, Code 2011,
23 is amended to read as follows:

24 The provisions of sections 491.46 and 491.47 and this
25 section shall not apply to ~~building and loan associations,~~
26 savings ~~and loan~~ associations, deposit, loan, and investment
27 records of banks, and trust companies, or insurance companies
28 organized under the laws of the state of Iowa, and to whom the
29 provisions of this chapter would otherwise be applicable.

30 Sec. 92. Section 491.58, Code 2011, is amended to read as
31 follows:

32 **491.58 Liability of stockholders.**

33 Neither anything in this chapter contained, nor any
34 provisions in the articles of corporation, shall exempt the
35 stockholders from individual liability to the amount of the

1 unpaid installments on the stock owned by them, or transferred
2 by them for the purpose of defrauding creditors; and execution
3 against the company may, to that extent, be levied upon
4 the private property of any such individual. ~~The foregoing~~
5 ~~provisions shall not apply to building and loan associations,~~
6 ~~and savings and loan associations.~~

7 Sec. 93. Section 492.5, Code 2011, is amended to read as
8 follows:

9 **492.5 Par value required.**

10 No corporation organized under the laws of this state,
11 ~~except building and loan associations,~~ shall issue any
12 certificate of a share of capital stock, or any substitute
13 therefor, until the corporation has received the par value
14 thereof.

15 Sec. 94. Section 492.9, Code 2011, is amended to read as
16 follows:

17 **492.9 Certificate of issuance of stock.**

18 It shall be the duty of every corporation, ~~except~~
19 ~~corporations qualified under chapter 534,~~ to file a certificate
20 under oath with the secretary of state, within thirty days
21 after the issuance of any capital stock, stating the date of
22 issue, the amount issued, the sum received therefor, if payment
23 be made in money, or the property or thing taken, if such be
24 the method of payment. If the corporation fails to file said
25 certificate of issuance of stock within the thirty-day period
26 herein provided, it may thereafter file the same upon first
27 paying to the secretary of state a penalty of ten dollars when
28 the said certificate is offered for filing. Provided further
29 that the penalty herein provided for is first paid and provided
30 the said report contains the specific information required
31 by this section as to the issuance of any capital stock not
32 previously reported, then the first annual report filed by
33 such corporation following such failure to comply with the
34 provisions of this section, shall be received by the secretary
35 of state as a compliance with this section.

1 Sec. 95. Section 493.1, Code 2011, is amended to read as
2 follows:

3 **493.1 Authorization.**

4 Any corporation, heretofore or hereafter organized for
5 pecuniary profit under the laws of this state, except state
6 banks, trust companies, ~~building and loan associations~~
7 and insurance companies, may create one or more classes of
8 stock without any nominal or par value, with such rights,
9 preferences, privileges, voting powers, limitations,
10 restrictions and qualifications thereon not inconsistent with
11 law as shall be expressed in its articles of incorporation,
12 or any amendment thereto. Stock without par value which is
13 preferred as to dividends, or as to its distributive share
14 of the assets of the corporation upon dissolution, may be
15 made subject to redemption at such times and prices as may be
16 determined in such articles of incorporation, or any amendment
17 thereto. In the case of stock without par value which is
18 preferred as to its distributive share of the assets of the
19 corporation upon dissolution, the amount of such preference
20 shall be stated in the articles of incorporation, or any
21 amendment thereto.

22 Sec. 96. Section 496B.2, subsection 4, Code Supplement
23 2011, is amended to read as follows:

24 4. "*Financial institution*" means any bank, trust company,
25 savings ~~and loan~~ association, insurance company or related
26 corporation, partnership, foundation or other institution
27 licensed to do business in the state of Iowa and engaged
28 primarily in lending or investing funds.

29 Sec. 97. Section 496B.9, subsection 3, paragraph b,
30 subparagraph (2), Code 2011, is amended by striking the
31 subparagraph.

32 Sec. 98. Section 501A.601, subsection 1, paragraph b, Code
33 2011, is amended to read as follows:

34 b. This section does not give a cooperative the power
35 or authority to exercise the powers of a credit union under

1 chapter 533, or a bank under chapter 524, ~~or a savings and loan~~
2 ~~association under chapter 534.~~

3 Sec. 99. Section 515C.9, Code 2011, is amended to read as
4 follows:

5 **515C.9 Restrictions on advertising.**

6 No bank, savings ~~and loan~~ association, insurance company, or
7 other lending institution, any of whose authorized real estate
8 securities are insured by mortgage guaranty insurance companies
9 may state in any brochure, pamphlet, report, or any form of
10 advertising that the real estate loans of the bank, savings
11 ~~and loan~~ association, insurance company, or other lending
12 institution are "insured loans" unless the brochure, pamphlet,
13 report, or advertising also clearly states that the loans
14 are insured by private insurers and the names of the private
15 insurers are given and shall not make any such statement at all
16 unless such insurance is by an insurer authorized to write this
17 coverage in this state.

18 Sec. 100. Section 516E.10, subsection 1, paragraph h, Code
19 2011, is amended to read as follows:

20 *h.* A bank, savings ~~and loan~~ association, credit union,
21 insurance company, or other lending institution shall not
22 require the purchase of a service contract as a condition of
23 a loan.

24 Sec. 101. Section 523A.102, subsection 11, unnumbered
25 paragraph 1, Code 2011, is amended to read as follows:

26 "*Financial institution*" means a state or federally insured
27 bank, savings ~~and loan~~ association, credit union, trust
28 department thereof, or a trust company authorized to do
29 business within this state and which has been granted trust
30 powers under the laws of this state or the United States, which
31 holds funds under a trust agreement. "*Financial institution*"
32 does not include:

33 Sec. 102. Section 523C.17, Code 2011, is amended to read as
34 follows:

35 **523C.17 Lending institutions, service companies, and**

1 insurance companies.

2 A bank, savings ~~and loan~~ association, insurance company, or
3 other lending institution shall not require the purchase of
4 a residential service contract as a condition of a loan. A
5 service company or an insurer, either directly or indirectly,
6 as a part of any real property transaction in which a
7 residential service contract will be issued, purchased, or
8 acquired, shall not require that a residential service contract
9 be issued, purchased, or acquired in conjunction with or as a
10 condition precedent to the issuance, purchase, or acquisition,
11 by any person, of a policy of insurance. A lending institution
12 shall not sell a residential service contract to a borrower
13 unless the borrower signs an affidavit acknowledging that
14 the purchase is not required. Violation of this section is
15 punishable as provided in section 523C.13.

16 Sec. 103. Section 523I.102, subsection 12, Code 2011, is
17 amended to read as follows:

18 12. "*Financial institution*" means a state or federally
19 insured bank, savings ~~and loan~~ association, credit union, trust
20 department thereof, or a trust company that is authorized to do
21 business within this state, that has been granted trust powers
22 under the laws of this state or the United States, and that
23 holds funds under a trust agreement. "*Financial institution*"
24 does not include a cemetery or any person employed by or
25 directly involved with a cemetery.

26 Sec. 104. Section 524.103, subsection 38, Code 2011, is
27 amended by striking the subsection.

28 Sec. 105. Section 524.107, subsection 2, Code 2011, is
29 amended to read as follows:

30 2. A person doing business in this state shall not use
31 the words "bank" or "trust" or use any derivative, plural,
32 or compound of the words "bank", "banking", "bankers", or
33 "trust" in any manner which would tend to create the impression
34 that the person is authorized to engage in the business of
35 banking or to act in a fiduciary capacity, except a state

1 bank authorized to do so by this chapter, a national bank to
2 the extent permitted by the laws of the United States, a bank
3 holding company as defined in section 524.1801, a savings
4 and loan holding company as defined in 12 U.S.C. § 1467a, a
5 ~~state association pursuant to section 534.507,~~ or a federal
6 association to the extent permitted by the laws of the United
7 States, or, insofar as the word "trust" is concerned, an
8 individual permissibly serving as a fiduciary in this state,
9 pursuant to section 633.63, or, insofar as the words "trust"
10 and "bank" are concerned, a nonresident corporate fiduciary
11 permissibly serving as a fiduciary in this state pursuant to
12 section 633.64.

13 Sec. 106. Section 524.211, subsection 1, Code Supplement
14 2011, is amended to read as follows:

15 1. The superintendent, general counsel, examiners, and
16 other employees assigned to the bank bureau of the banking
17 division are prohibited from obtaining a loan of money or
18 property from a state-chartered bank, ~~a state savings and~~
19 ~~loan association,~~ or any person or entity affiliated with a
20 state-chartered bank, or a state savings and loan association,
21 unless they do not personally participate in the examination,
22 oversight, or official review concerning the regulation of the
23 bank ~~or savings and loan association.~~

24 Sec. 107. Section 524.216, subsection 2, paragraph b, Code
25 2011, is amended to read as follows:

26 *b.* A summary of the assets, liabilities, and capital
27 structure of all state banks ~~and state savings and loan~~
28 ~~associations~~ as of June 30 of the year for which the report is
29 made.

30 Sec. 108. Section 524.821, subsection 1, Code 2011, is
31 amended to read as follows:

32 1. A state bank may engage in any transaction incidental to
33 the conduct of the business of banking and otherwise permitted
34 by applicable law, by means of either the direct transmission
35 of electronic impulses to or from customers and banks or

1 the recording of electronic impulses or other indicia of a
2 transaction for delayed transmission to a bank. Subject to the
3 provisions of chapter 527, a state bank may utilize, establish
4 or operate, alone or with one or more other banks, savings
5 and loan associations incorporated under ~~the provisions of~~
6 ~~chapter 534~~ or federal law, credit unions incorporated under
7 the provisions of chapter 533 or federal law, corporations
8 licensed under chapter 536A, or third parties, the satellite
9 terminals permitted under chapter 527, by means of which
10 customers and banks may transmit and receive electronic
11 impulses constituting transactions pursuant to this section.
12 However, such utilization, establishment, or operation shall be
13 lawful only when in compliance with chapter 527. Nothing in
14 this section shall be construed as authority for any person to
15 engage in transactions not otherwise permitted by applicable
16 law, nor shall anything in this section be deemed to repeal,
17 replace or in any other way affect any applicable law or rule
18 regarding the maintenance of or access to financial information
19 maintained by any bank.

20 Sec. 109. Section 524.1401, subsections 1 and 3, Code 2011,
21 are amended to read as follows:

22 1. Upon compliance with the requirements of this chapter,
23 one or more state banks, one or more national banks, ~~one or~~
24 ~~more state associations~~, one or more federal associations, one
25 or more corporations, or any combination of these entities,
26 with the approval of the superintendent, may merge into a state
27 bank.

28 3. Upon compliance with the requirements of this chapter
29 ~~and chapter 534~~, one or more state banks may merge with one or
30 ~~more state associations~~ or federal associations. The authority
31 of a state bank to merge into a ~~state or~~ federal association
32 is subject to the conditions the laws of the United States
33 authorize at the time of the transaction.

34 Sec. 110. Section 524.1409, Code 2011, is amended to read
35 as follows:

1 524.1409 Conversion of national bank or federal savings
2 association ~~or state savings and loan association~~ into state
3 bank.

4 A national bank, or federal savings association, ~~or state~~
5 ~~savings and loan association~~, subject to the provisions of this
6 chapter, may convert into a state bank upon authorization by
7 and compliance with the laws of the United States, adoption
8 of a plan of conversion by the affirmative vote of at least
9 a majority of its directors and the holders of two-thirds of
10 each class of its shares at a meeting held upon not less than
11 ten days' notice to all shareholders, and upon approval of the
12 superintendent.

13 Sec. 111. Section 524.1410, unnumbered paragraph 1, Code
14 2011, is amended to read as follows:

15 A national bank, or federal savings association, ~~or state~~
16 ~~savings and loan association~~ shall make an application to the
17 superintendent for approval of the conversion in a manner
18 prescribed by the superintendent and shall deliver to the
19 superintendent, when available:

20 Sec. 112. Section 524.1411, unnumbered paragraph 1, Code
21 2011, is amended to read as follows:

22 The articles of conversion shall be signed by two duly
23 authorized officers of the national bank, or federal savings
24 association, ~~or state savings and loan association~~ and shall
25 contain all of the following:

26 Sec. 113. Section 524.1411, subsection 1, Code 2011, is
27 amended to read as follows:

28 1. The name of the national bank, or federal savings
29 association, ~~or state savings and loan association~~ and the name
30 of the resulting state bank.

31 Sec. 114. Section 524.1412, unnumbered paragraph 1, Code
32 2011, is amended to read as follows:

33 Within thirty days after the application for conversion has
34 been accepted for processing, the national bank, or federal
35 savings association, ~~or state savings and loan association~~

1 shall publish a notice of the delivery of the articles of
2 conversion to the superintendent in a newspaper of general
3 circulation published in the municipal corporation or
4 unincorporated area in which the national bank, or federal
5 savings association, ~~or state savings and loan association~~
6 has its principal place of business, or if there is none, a
7 newspaper of general circulation published in the county,
8 or in a county adjoining the county, in which the national
9 bank, or federal savings association, ~~or state savings and~~
10 ~~loan association~~ has its principal place of business. Proof
11 of publication of the notice shall be delivered to the
12 superintendent within fourteen days. The notice shall set
13 forth all of the following:

14 Sec. 115. Section 524.1412, subsection 1, Code 2011, is
15 amended to read as follows:

16 1. The name of the national bank, or federal savings
17 association, ~~or state savings and loan association~~ and the name
18 of the resulting state bank.

19 Sec. 116. Section 524.1415, Code 2011, is amended to read
20 as follows:

21 **524.1415 Effect of filing of articles of conversion with**
22 **secretary of state.**

23 1. The conversion is effective upon the filing of the
24 articles of conversion with the secretary of state, or at any
25 later date and time as specified in the articles of conversion.
26 The acknowledgment of filing is conclusive evidence of the
27 performance of all conditions required by this chapter for
28 conversion of a national bank, or federal savings association,
29 ~~or state savings and loan association~~ into a state bank, except
30 as against the state.

31 2. When a conversion becomes effective, the existence of the
32 national bank, or federal savings association, ~~or state savings~~
33 ~~and loan association~~ shall continue in the resulting state bank
34 which shall have all the property, rights, powers, and duties
35 of the national bank, or federal savings association, ~~or state~~

1 ~~savings and loan association~~, except that the resulting state
2 bank shall have only the authority to engage in such business
3 and exercise such powers as it would have, and shall be subject
4 to the same prohibitions and limitations to which it would be
5 subject, upon original incorporation under this chapter. The
6 articles of incorporation of the resulting state bank shall be
7 the provisions stated in the articles of conversion.

8 3. A liability of the national bank, or federal savings
9 association, ~~or state savings and loan association~~, or of the
10 national bank's, or federal savings association's, ~~or state~~
11 ~~savings and loan association's~~ shareholders, directors, or
12 officers, is not affected by the conversion. A lien on any
13 property of the national bank, or federal savings association,
14 ~~or state savings and loan association~~ is not impaired by the
15 conversion. A claim existing or action pending by or against
16 the national bank, or federal savings association, ~~or state~~
17 ~~savings and loan association~~ may be prosecuted to judgment as
18 if the conversion had not taken place, or the resulting state
19 bank may be substituted in its place.

20 4. The title to all real estate and other property owned by
21 the converting national bank, or federal savings association,
22 ~~or state savings and loan association~~ is vested in the
23 resulting state bank without reversion or impairment.

24 Sec. 117. Section 524.1416, Code 2011, is amended to read
25 as follows:

26 **524.1416 Authority for conversion of state bank into national**
27 **bank or federal savings association ~~or state savings and loan~~**
28 **association.**

29 1. A state bank may convert into a national bank, or federal
30 savings association, ~~or state savings and loan association~~ upon
31 authorization by and compliance with the laws of the United
32 States, and adoption of a plan of conversion by the affirmative
33 vote of at least a majority of its directors and the holders
34 of two-thirds of each class of its shares at a meeting held
35 upon not less than ten days' notice to all shareholders. The

1 authority of a state bank to convert into a national bank or
2 federal savings association shall be subject to the condition
3 that at the time of the transaction, the laws of the United
4 States shall authorize a national bank or federal savings
5 association located in this state, without approval by the
6 comptroller of the currency of the United States or director
7 of the office of thrift supervision, as applicable, to convert
8 into a state bank under limitations and conditions no more
9 restrictive than those contained in this section and section
10 524.1417 with respect to conversion of a state bank into a
11 national bank or federal savings association.

12 2. A state bank which converts into a national bank or
13 federal savings association shall notify the superintendent of
14 the proposed conversion, provide such evidence of the adoption
15 of the plan as the superintendent may request, notify the
16 superintendent of any abandonment or disapproval of the plan,
17 and file with the superintendent and with the secretary of
18 state a certificate of the approval of the conversion by the
19 comptroller of the currency of the United States or director
20 of the office of thrift supervision, as applicable, and the
21 date upon which such conversion is to become effective. A
22 state bank that converts into a national bank or federal
23 savings association shall comply with the provisions of section
24 524.310, subsection 1.

25 ~~3. A state bank that converts into a state savings and~~
26 ~~loan association shall file with the secretary of state~~
27 ~~a certificate of the approval of the conversion by the~~
28 ~~superintendent and the date upon which such conversion is to~~
29 ~~be effective.~~

30 Sec. 118. Section 524.1417, Code 2011, is amended to read
31 as follows:

32 **524.1417 Appraisal rights of shareholder of converting state**
33 **or national bank or federal ~~or state~~ savings association.**

34 1. A shareholder of a state bank that converts into a
35 national bank, or federal savings association, ~~or a state~~

1 ~~savings and loan association~~ who objects to the plan of
2 conversion is entitled to appraisal rights as provided in
3 chapter 490, division XIII.

4 2. If a shareholder of a national bank or federal savings
5 association that converts into a state bank objects to the plan
6 of conversion and complies with the requirements of applicable
7 laws of the United States, the resulting state bank is liable
8 for the value of the shareholder's shares as determined in
9 accordance with such laws of the United States.

10 ~~3. If a shareholder of a state savings and loan association~~
11 ~~that converts to a state bank objects to the plan of conversion~~
12 ~~and complies with the requirements of applicable laws of this~~
13 ~~state, the resulting bank is liable for the value of the~~
14 ~~shareholder's shares as determined in accordance with such laws~~
15 ~~of this state.~~

16 Sec. 119. Section 524.1418, Code 2011, is amended to read
17 as follows:

18 **524.1418 Succession to fiduciary accounts and appointments —**
19 **application for appointment of new fiduciary.**

20 The provisions of section 524.1009 apply to a resulting
21 state or national bank, or federal savings association, ~~or~~
22 ~~state savings and loan association~~ after a conversion with the
23 same effect as though the state or national bank, or federal
24 savings association, ~~or state savings and loan association~~ were
25 a party to a plan of merger, and the conversion were a merger,
26 within the provisions of that section.

27 Sec. 120. Section 524.1805, subsection 5, Code 2011, is
28 amended to read as follows:

29 5. For purposes of subsection 1, a bank that resulted from
30 the conversion of a ~~state savings and loan association or~~
31 federal savings association, as defined in 12 U.S.C. § 1813,
32 is deemed to have been in continuous existence and operation
33 as a bank for the combined periods of continuous existence and
34 operation of the bank and the association from which it was
35 converted.

1 Sec. 121. Section 527.2, subsections 2 and 9, Code 2011, are
2 amended to read as follows:

3 2. "*Administrator*" means and includes the superintendent of
4 banking, ~~the superintendent of savings and loan associations,~~
5 and the superintendent of credit unions within the department
6 of commerce and the supervisor of industrial loan companies
7 within the office of the superintendent of banking. However,
8 the powers of administration and enforcement of this chapter
9 shall be exercised only as provided in sections 527.3, 527.5,
10 subsection 7, sections 527.11, 527.12, and any other pertinent
11 provision of this chapter.

12 9. "*Financial institution*" means and includes any bank
13 incorporated under the provisions of any state or federal
14 law, any savings and loan association incorporated under the
15 provisions of ~~any state or federal law,~~ any credit union
16 organized under the provisions of any state or federal law,
17 any corporation licensed as an industrial loan company under
18 chapter 536A, and any affiliate of a bank, savings and loan
19 association, credit union, or industrial loan company.

20 Sec. 122. Section 527.3, subsection 1, Code 2011, is amended
21 to read as follows:

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

35 Sec. 123. Section 527.5, subsection 11, paragraph d, Code

1 2011, is amended to read as follows:

2 *d.* For purposes of this subsection, a national card
3 association must be a membership corporation or organization,
4 wherever incorporated and maintaining a principal place of
5 business, which is engaged in the business of administering for
6 the benefit of the association's members a program involving
7 electronic funds transfer transaction cards or access devices
8 depicting a service mark, logo, or trademark associated with
9 the national card association and which may be utilized to
10 perform transactions at point-of-sale terminals. A national
11 card association must have a membership solely comprised of
12 insured depository financial institutions, organizations
13 directly or indirectly owned or controlled solely by insured
14 depository financial institutions, entities wholly owned
15 by one or more insured depository financial institutions,
16 holding companies having at least two-thirds of their assets
17 consisting of the voting stock of insured depository financial
18 institutions, organizations wholly owned by one or more
19 holding companies having at least two-thirds of their assets
20 consisting of the voting stock of insured depository financial
21 institutions and which are solely engaged in activities related
22 to the programs sponsored by the national card association, or
23 such other entities or organizations which are authorized by
24 the national card association's bylaws to participate in the
25 electronic funds transfer transaction card or access device
26 programs or other services and programs sponsored by the
27 national card association. For purposes of this subsection,
28 a national card association shall not include a financial
29 institution, bank holding company as defined in section
30 524.1801, or in the federal Bank Holding Company Act of 1956,
31 12 U.S.C. § 1842(d), as amended to July 1, 1994, ~~association~~
32 ~~holding company as defined in section 534.102, or a supervised~~
33 ~~organization as defined in section 534.102, or~~ any other
34 financial institution holding company organized under federal
35 or state law, or a subsidiary or affiliate corporation owned or

1 controlled by a financial institution or financial institution
2 holding company, which has authorized a customer or member
3 to engage in satellite terminal transactions. For purposes
4 of this subsection, a national card association shall also
5 not include a membership corporation or organization which
6 is conducting business as a regional or nationwide network
7 of shared electronic funds transfer terminals which do not
8 constitute point-of-sale terminals, and is engaged in satellite
9 terminal transaction services utilizing a common service mark,
10 logo, or trademark to identify such terminal services.

11 Sec. 124. Section 527.9, subsection 5, Code 2011, is amended
12 to read as follows:

13 5. *a.* Effective July 1, 1987, a person owning or operating
14 a central routing unit authorized under this section shall
15 include public representation on any board setting policy for
16 the central routing unit. Four or five public members shall be
17 appointed to the board in the following manner:

18 (1) ~~Two~~ Three members shall be appointed by the
19 superintendent of banking.

20 (2) One member shall be appointed by the superintendent of
21 credit unions.

22 ~~(3) One member shall be appointed by the superintendent of~~
23 ~~savings and loan associations.~~

24 ~~(4)~~ (3) If an industrial loan company is connected to the
25 central routing unit, one member shall be appointed by the
26 superintendent of banking.

27 *b.* The superintendent of banking, and superintendent
28 of credit unions, ~~and superintendent of savings and loan~~
29 ~~associations~~ shall form a committee to set, in conjunction
30 with the entity owning or operating the central routing unit,
31 the term of office, the rate of compensation, and the rate of
32 reimbursement for each public member. However, the public
33 members shall be entitled to reasonable compensation and
34 reimbursement from the board.

35 *c.* Each public member is entitled to all the rights of

1 participation and voting as any other member of the board.
2 The public members are to represent the interest of consumers
3 and the business and agricultural communities in establishing
4 policies for the central routing unit.

5 *d.* It is the intention of the general assembly that the
6 ratio of public members to the overall membership of the
7 board shall not be less than one public member for each seven
8 members of the board. If the number of members on the board
9 is increased, then the number of members appointed pursuant to
10 paragraph "a" shall be increased to maintain the minimum ratio.
11 In this event, ~~a committee composed of the superintendent of~~
12 ~~banking, and the superintendent of credit unions, and the~~
13 ~~superintendent of savings and loan associations~~ shall appoint
14 additional public members in order to maintain the minimum
15 ratio.

16 *e.* An individual shall not be appointed as a public member
17 pursuant to this subsection if the individual is a director of
18 a financial institution or is directly employed by a financial
19 institution doing business in this state.

20 Sec. 125. Section 528.2, subsection 1, Code 2011, is amended
21 to read as follows:

22 1. "Administrator" means the superintendent of banking,
23 ~~the superintendent of savings and loan associations,~~ and the
24 superintendent of credit unions within the department of
25 commerce.

26 Sec. 126. Section 533.301, subsection 4, Code Supplement
27 2011, is amended to read as follows:

28 4. Make deposits in state and national banks, ~~state and~~
29 federal savings banks or savings and loan associations, and
30 state and federal credit unions, the accounts of which are
31 insured by the federal deposit insurance corporation or the
32 national credit union share insurance fund.

33 Sec. 127. Section 533.301, subsection 5, paragraph a, Code
34 Supplement 2011, is amended to read as follows:

35 *a.* Time deposits in state and national banks, ~~state and~~

1 federal savings banks or savings and loan associations, and
2 state and federal credit unions, the deposits of which are
3 insured by the federal deposit insurance corporation or the
4 national credit union share insurance fund.

5 Sec. 128. Section 533.301, subsection 18, paragraph a, Code
6 Supplement 2011, is amended to read as follows:

7 a. Subject to the provisions of chapter 527, a state credit
8 union may utilize, establish, or operate, alone or with one
9 or more other credit unions, banks incorporated under chapter
10 524 or federal law, savings and loan associations incorporated
11 under ~~chapter 534~~ or federal law, corporations licensed
12 under chapter 536A, or third parties, the satellite terminals
13 permitted under chapter 527, by means of which the state credit
14 union may transmit to or receive from any member electronic
15 impulses constituting transactions pursuant to this subsection.
16 However, such utilization, establishment, or operation shall be
17 lawful only when in compliance with chapter 527.

18 Sec. 129. Section 533.305, subsection 4, paragraph c, Code
19 2011, is amended by striking the paragraph.

20 Sec. 130. Section 533.313, subsection 1, paragraph c, Code
21 2011, is amended to read as follows:

22 c. The term does not include a draft issued by a state
23 credit union for the transfer of funds between the issuing
24 credit union and another credit union, a bank, a savings and
25 loan association chartered under federal law, or another
26 depository financial institution.

27 Sec. 131. Section 533A.2, subsection 2, paragraph b, Code
28 2011, is amended to read as follows:

29 b. Banks, federally chartered savings and loan associations,
30 credit unions, mortgage bankers and mortgage brokers licensed
31 or registered under chapter 535B, insurance companies and
32 similar fiduciaries, regulated loan companies licensed under
33 chapter 536, and industrial loan companies licensed under
34 chapter 536A, authorized and admitted to transact business in
35 this state and performing credit and financial adjusting in the

1 regular course of their principal business, or while performing
2 an escrow function.

3 Sec. 132. Section 535.2, subsection 2, paragraph b,
4 subparagraph (6), Code Supplement 2011, is amended to read as
5 follows:

6 (6) With respect to any transaction referred to in paragraph
7 "a" of this subsection, this subsection supersedes any
8 interest-rate or finance-charge limitations contained in the
9 Code, including but not limited to this chapter and chapters
10 321, 322, 524, 533, ~~534~~, 536A, and 537.

11 Sec. 133. Section 535.8, subsection 2, paragraph b,
12 subparagraph (3), Code 2011, is amended to read as follows:

13 (3) A lender shall not charge the borrower any costs other
14 than expressly permitted by this paragraph "b". However,
15 additional costs incurred in connection with a loan under this
16 paragraph "b", if bona fide and reasonable, may be collected by
17 a state-chartered financial institution licensed under chapter
18 ~~524~~, or 533, ~~or 534~~, to the extent permitted under applicable
19 federal law as determined by the office of the comptroller of
20 the currency of the United States department of treasury, the
21 national credit union administration, or the office of thrift
22 supervision of the United States department of treasury. Such
23 costs shall apply only to the same type of state-chartered
24 entity as the federally chartered entity affected and shall
25 apply to and may be collected by an insurer organized under
26 chapter 508 or 515, or otherwise authorized to conduct the
27 business of insurance in this state.

28 Sec. 134. Section 535A.2, subsection 2, paragraph b, Code
29 2011, is amended by striking the paragraph.

30 Sec. 135. Section 535B.11, subsection 3, paragraph b, Code
31 2011, is amended to read as follows:

32 b. Compliance with sections 524.905, 533.315, ~~534.206~~, and
33 536A.20 shall constitute compliance with this subsection.

34 Sec. 136. Section 535C.2, subsection 4, paragraph i, Code
35 2011, is amended by striking the paragraph.

1 Sec. 137. Section 536A.24, Code 2011, is amended to read as
2 follows:

3 **536A.24 Electronic transactions.**

4 A licensee may engage in any transaction otherwise permitted
5 by this chapter and applicable law, by means of either the
6 direct transmission of electronic impulses or other indicia
7 of a transaction for delayed transmission to the licensee.
8 Subject to the provisions of chapter 527, a licensee may
9 utilize, establish or operate, alone or with one or more
10 other licensees, banks incorporated under the provisions of
11 chapter 524 or federal law, credit unions incorporated under
12 the provisions of chapter 533 or federal law, savings and loan
13 associations incorporated under the provisions of ~~chapter 534~~
14 ~~or~~ federal law, or third parties, the satellite terminals
15 permitted under chapter 527, by means of which the licensee may
16 transmit to or receive from any customer electronic impulses
17 constituting transactions pursuant to this section. However,
18 such utilization, establishment or operation is lawful only
19 when in compliance with chapter 527. Nothing in this section
20 authorizes a licensee or other person to engage in transactions
21 not otherwise permitted by applicable law, nor does anything
22 in this section repeal, replace or in any other way affect any
23 applicable law or rule regarding the maintenance of or access
24 to financial information maintained by a licensee.

25 Sec. 138. Section 536C.2, subsection 1, Code 2011, is
26 amended to read as follows:

27 1. "*Administrator*" means the superintendent of banking,
28 ~~the superintendent of savings and loan associations or the~~
29 ~~superintendent's successor,~~ or the superintendent of credit
30 unions. However, the powers of administration and enforcement
31 of this chapter are to be exercised pursuant to section
32 536C.14.

33 Sec. 139. Section 536C.3, Code 2011, is amended to read as
34 follows:

35 **536C.3 Exemptions.**

1 This chapter does not apply to a bank chartered under
2 chapter 524 or a bank chartered under federal law which has its
3 principal place of business located in this state, ~~a savings~~
4 ~~and loan association chartered under chapter 534~~ or a savings
5 and loan association chartered under federal law which has its
6 principal place of business located in this state, a credit
7 union chartered under chapter 533 or a credit union chartered
8 under federal law which has its principal place of business
9 located in this state, regulated loan companies licensed under
10 chapter 536, or industrial loan companies licensed under
11 chapter 536A.

12 Sec. 140. Section 536C.14, subsection 3, Code 2011, is
13 amended by striking the subsection.

14 Sec. 141. Section 537.1108, subsection 2, Code 2011, is
15 amended to read as follows:

16 2. This chapter does not displace limitations on powers of
17 credit unions, savings ~~and loan~~ associations, or other thrift
18 institutions whether organized for the profit of shareholders
19 or as mutual organizations.

20 Sec. 142. Section 537.1301, subsection 3, Code 2011, is
21 amended to read as follows:

22 3. "*Affiliate*" as used in reference to a state bank means
23 the same as defined in section 524.1101. "*Affiliate*" as used
24 in reference to a national banking association means the
25 same as defined in section 524.1101, except that the term
26 "national banking association" shall be substituted for the
27 term "state bank". "*Affiliate*" as used in reference to a
28 federally chartered or out-of-state chartered savings and
29 loan association shall mean the same as defined in 12 C.F.R.
30 § 561.4.

31 Sec. 143. Section 537.1301, subsection 44, Code 2011, is
32 amended to read as follows:

33 44. "*Supervised financial organization*" means a person,
34 other than an insurance company or other organization
35 primarily engaged in an insurance business, which is organized,

1 chartered, or holding an authorization certificate pursuant to
2 chapter 524, or 533, ~~or 534~~, or pursuant to the laws of any
3 other state or of the United States which authorizes the person
4 to make loans and to receive deposits, including a savings,
5 share, certificate or deposit account, and which is subject to
6 supervision by an official or agency of this state, such other
7 state, or of the United States.

8 Sec. 144. Section 537.2301, subsection 1, Code 2011, is
9 amended to read as follows:

10 1. As used in this part, "*licensing authority*" means the
11 agency designated in chapter 524, 533, ~~534~~, 536, or 536A to
12 issue licenses or otherwise authorize the conduct of business
13 pursuant to the respective chapter or this chapter, and
14 "*licensee*" includes any person subject to regulation by a
15 licensing authority. "*License*" includes the authorization, of
16 whatever form, to engage in the conduct regulated under those
17 chapters.

18 Sec. 145. Section 537.2305, subsection 1, Code 2011, is
19 amended to read as follows:

20 1. For the purpose of discovering violations of this chapter
21 or securing information lawfully required, the licensing
22 authority shall examine periodically at intervals the licensing
23 authority deems appropriate, but not less frequently than is
24 required for other examinations of the licensee by section
25 524.217, 533.113, ~~534.401~~, 536.10, or 536A.15, whichever is
26 applicable, the loans, business, and records of every licensee,
27 except a licensee which has no office physically located in
28 this state and engages in no face-to-face solicitation in this
29 state. In addition, the licensing authority may at any time
30 investigate the loans, business, and records of any lender.
31 For these purposes the licensing authority shall be given free
32 and reasonable access to the offices, places of business, and
33 records of the lender.

34 Sec. 146. Section 537.2501, subsection 1, paragraph j, Code
35 2011, is amended to read as follows:

1 *j.* For a consumer loan where the amount financed does not
2 exceed three thousand dollars and the term of the loan does
3 not exceed twelve months, a bank, ~~savings bank, savings and~~
4 ~~loan association, or~~ credit union incorporated pursuant to
5 state or federal law, or a federally chartered or out-of-state
6 chartered savings bank or savings and loan association may
7 charge an additional application fee not to exceed the lesser
8 of ten percent of the amount financed or thirty dollars. If
9 the loan is not approved, the application fee shall not exceed
10 the lesser of ten percent of the amount applied for by the
11 applicant or thirty dollars. The fee permitted pursuant to
12 this paragraph shall not be charged in connection with a loan
13 used for the purchase of a motor vehicle, or for a loan where
14 the borrower's dwelling is used as security.

15 Sec. 147. Section 537.6105, subsection 1, Code 2011, is
16 amended to read as follows:

17 1. With respect to supervised financial organizations
18 subject to regulation under ~~chapters~~ chapter 524, or 533 and
19 ~~534~~, and persons licensed under chapters 536 and 536A, the
20 powers of examination and investigation as provided in sections
21 537.2305 and 537.6106, and administrative enforcement as
22 provided in sections 537.2303 and 537.6108, shall be exercised
23 by the official or agency to whose supervision the person is
24 subject. All other powers of the administrator under this
25 chapter may be exercised by the administrator with respect
26 to such persons. In all actions or other court proceedings
27 brought to enforce this chapter, the attorney general or the
28 attorney general's designee shall participate.

29 Sec. 148. Section 537.6201, Code 2011, is amended to read
30 as follows:

31 **537.6201 Applicability.**

32 This part applies to all of the following:

33 1. Creditors engaged in consumer credit transactions
34 and acts, practices or conduct involving consumer credit
35 transactions to which this chapter applies pursuant to section

1 537.1201, but not to those licensed, certificated, or otherwise
2 authorized to engage in business by chapter 524, 533, ~~534~~, 536
3 or 536A.

4 2. Debt collectors, as defined in section 537.7102,
5 subsection 5, to whose acts, practices, or conduct this
6 chapter applies pursuant to section 537.1201 if the total
7 debt collected by a debt collector in the preceding calendar
8 year exceeds twenty-five thousand dollars, or if not, if the
9 total debt collected during the current calendar year exceeds
10 twenty-five thousand dollars, but this part does not apply to
11 those licensed, certified, or otherwise authorized to engage in
12 business under chapter 524, 533, ~~534~~, 536, or 536A.

13 Sec. 149. Section 537.7103, subsection 4, paragraph b,
14 subparagraph (2), Code 2011, is amended to read as follows:

15 (2) Communications issued directly by a state bank as
16 defined in section 524.103 or its affiliate, a state bank
17 chartered under the laws of any other state or its affiliate, a
18 national banking association or its affiliate, a trust company,
19 a federally chartered savings and loan association or savings
20 bank or its affiliate, an out-of-state chartered savings and
21 loan association or savings bank or its affiliate, a financial
22 institution chartered by the federal home loan bank board, ~~an~~
23 ~~association incorporated or authorized to do business under~~
24 ~~chapter 534~~, a state or federally chartered credit union, a
25 credit union service organization, or a company or association
26 organized or authorized to do business under chapter 515, 518,
27 518A, or 520, or an officer, employee, or agent of such company
28 or association, provided the communication does not deceptively
29 conceal its origin or its purpose.

30 Sec. 150. Section 543B.46, subsections 1, 2, and 3, Code
31 2011, are amended to read as follows:

32 1. Each real estate broker shall maintain a common trust
33 account in a bank, a savings ~~and loan~~ association, ~~savings~~
34 ~~bank~~, or credit union for the deposit of all down payments,
35 earnest money deposits, or other trust funds received by the

1 broker or the broker's salespersons on behalf of the broker's
2 principal, except that a broker acting as a salesperson shall
3 deposit these funds in the common trust account of the broker
4 for whom the broker acts as salesperson. The account shall
5 be an interest-bearing account. The interest on the account
6 shall be transferred quarterly to the treasurer of state and
7 transferred to the Iowa finance authority for deposit in the
8 housing trust fund established in section 16.181 unless there
9 is a written agreement between the buyer and seller to the
10 contrary. The broker shall not benefit from interest received
11 on funds of others in the broker's possession.

12 2. Each broker shall notify the real estate commission of
13 the name of each bank or savings ~~and loan~~ association in which
14 a trust account is maintained and also the name of the account
15 on forms provided therefor.

16 3. Each broker shall authorize the real estate commission to
17 examine each trust account and shall obtain the certification
18 of the bank or savings ~~and loan~~ association attesting to each
19 trust account and consenting to the examination and audit
20 of each account by a duly authorized representative of the
21 commission. The certification and consent shall be furnished
22 on forms prescribed by the commission. This subsection does
23 not apply to an individual farm account maintained in the
24 name of the owner or owners for the purpose of conducting
25 ongoing farm business whether it is conducted by the farm owner
26 or by an agent or farm manager when the account is part of
27 a farm management agreement between the owner and agent or
28 manager. This subsection also does not apply to an individual
29 property management account maintained in the name of the
30 owner or owners for the purpose of conducting ongoing property
31 management whether it is conducted by the property owner or
32 by an agent or manager when the account is part of a property
33 management agreement between the owner and agent or manager.

34 Sec. 151. Section 546.3, subsection 1, Code 2011, is amended
35 to read as follows:

1 1. The banking division shall regulate and supervise banks
 2 under chapter 524, debt management licensees under chapter
 3 533A, money services under chapter 533C, delayed deposit
 4 services under chapter 533D, ~~savings and loan associations~~
 5 ~~under chapter 534~~, mortgage bankers and brokers under
 6 chapter 535B, regulated loan companies under chapter 536, and
 7 industrial loan companies under chapter 536A, and shall perform
 8 other duties assigned to the division by law. The division
 9 is headed by the superintendent of banking who is appointed
 10 pursuant to section 524.201. The state banking council
 11 shall render advice within the division when requested by the
 12 superintendent.

13 Sec. 152. Section 551A.4, subsection 1, paragraph a, Code
 14 2011, is amended to read as follows:

15 a. The offer or sale of a business opportunity if the
 16 purchaser is a bank, federally chartered savings and loan
 17 association, trust company, insurance company, credit union,
 18 or investment company as defined by the federal Investment
 19 Company Act of 1940, a pension or profit-sharing trust, or
 20 other financial institution or institutional buyer, or a
 21 broker-dealer registered pursuant to chapter 502, whether the
 22 purchaser is acting for itself or in a fiduciary capacity.

23 Sec. 153. Section 556.1, subsections 1 and 4, Code 2011, are
 24 amended to read as follows:

25 1. "*Banking organization*" means any bank, trust company,
 26 savings bank, savings association, industrial bank, land bank,
 27 safe deposit company, or a private banker engaged in business
 28 in this state.

29 4. "*Financial organization*" means any ~~savings and loan~~
 30 ~~association, building and loan association,~~ federally chartered
 31 savings and loan association, credit union, cooperative bank or
 32 investment company, engaged in business in this state.

33 Sec. 154. Section 636.23, subsections 10 and 14, Code 2011,
 34 are amended to read as follows:

35 10. ~~Building and loan~~ Savings associations. Shares

1 of ~~building and loan associations and savings and loan~~
2 ~~associations, incorporated under the laws of Iowa and in shares~~
3 ~~of federal savings and loan associations organized under the~~
4 laws of the United States of America.

5 14. *Limitation as to court-approved investments.* This
6 section does not prohibit investment of such funds in a savings
7 account or time certificate of deposit of a bank or savings
8 ~~and loan~~ association located within the city or its county of
9 this state and when first approved by the court. However, a
10 city that is the trustee of a cemetery as provided in section
11 523I.508 may invest perpetual care funds in a savings account
12 or certificates of deposit at a bank ~~or savings and loan~~
13 ~~association~~ located in this state without court approval.

14 Sec. 155. Section 636.45, subsection 1, unnumbered
15 paragraph 1, Code Supplement 2011, is amended to read as
16 follows:

17 Insurance companies, savings ~~and loan~~ associations,
18 trustees, guardians, executors, administrators, and other
19 fiduciaries, the state and its political subdivisions, and
20 institutions and agencies thereof, and all other persons,
21 associations, and corporations:

22 Sec. 156. Section 636.45, subsection 2, Code Supplement
23 2011, is amended to read as follows:

24 2. It shall be lawful for insurance companies, savings
25 ~~and loan~~ associations, trustees, guardians, executors,
26 administrators, and other fiduciaries, the state and its
27 political subdivisions, and institutions and agencies thereof,
28 and all other persons, associations, and corporations, subject
29 to the laws of this state, to originate real estate loans
30 which are guaranteed or insured by the secretary of the United
31 States department of veterans affairs under the provisions of
32 38 U.S.C. § 3701 et seq., and originate loans secured by real
33 property or leasehold, as the federal housing administrator
34 insures or makes a commitment to insure pursuant to Tit. II of
35 the National Housing Act (1934), and may obtain such insurance

1 and may invest their funds, and the moneys in their custody or
2 possession, eligible for investment, in bonds and notes secured
3 by mortgage or trust deed insured by the federal housing
4 administrator, and in the debentures issued by the federal
5 housing administrator pursuant to Tit. II of the National
6 Housing Act (1934), and in securities issued by national
7 mortgage associations or similar credit institutions now or
8 hereafter organized under Tit. III of the National Housing
9 Act (1934), and in real estate loans which are guaranteed or
10 insured by the secretary of the United States department of
11 veterans affairs under the provisions of 38 U.S.C. § 3701 et
12 seq.

13 Sec. 157. REPEAL. Chapter 534, Code and Code Supplement
14 2011, is repealed.

15 EXPLANATION

16 This bill relates to matters under the purview of the banking
17 division of the department of commerce.

18 MUTUAL OWNERSHIP FOR STATE BANKS. Division I of the bill
19 authorizes mutual ownership for state chartered banks and state
20 holding companies. The division defines a "mutual corporation"
21 as a corporation that is incorporated on a mutual ownership
22 basis pursuant to Code chapter 524 as amended by the division,
23 or converted to become subject to the Code chapter, and which
24 does not have authority to issue capital stock. The division
25 defines a "mutual holding company" as a bank holding company
26 that is a mutual corporation or that owns or controls a mutual
27 corporation. The division authorizes the superintendent of
28 banking to adopt rules to ensure that a state bank incorporated
29 as a mutual corporation is operating in a safe and sound manner
30 and is subject to the superintendent's authority in the same
31 manner as a state bank incorporated as a stock corporation,
32 and makes several modifications to existing provisions in Code
33 chapter 524 to differentiate between stock corporations and
34 mutual corporations.

35 The division provides that a mutual corporation, a mutual

1 holding company, a federal mutual association, or a federal
2 mutual holding company may convert into a stock corporation
3 that is either a state bank or a state bank mutual bank holding
4 company upon approval of the superintendent. An application
5 for approval of the conversion shall include submission of
6 articles of conversion, a business plan addressing factors
7 prescribed by the superintendent, proof of publication of a
8 notice of conversion, and applicable filing and recording fees.

9 The division provides that a state bank may be owned,
10 directly or indirectly, by a mutual bank holding company.
11 The division authorizes a mutual holding company authorized
12 pursuant to specified federal regulations to convert to a
13 mutual bank holding company. The division also authorizes a
14 mutual corporation to reorganize as a mutual holding company as
15 prescribed in specified federal regulations, which would then
16 be regarded as a mutual bank holding company subject to Code
17 chapter 524. The division states that a mutual bank holding
18 company shall also be subject to Code chapter 490, the Iowa
19 business corporations Act, and provides that if a provision
20 of the Iowa business corporations Act conflicts with the
21 provisions of Code chapter 524 or a rule of the superintendent,
22 the provisions of Code chapter 524 or rule shall control.

23 The division authorizes the superintendent to adopt rules
24 pursuant to Code chapter 17A pertaining to mutual bank holding
25 companies and reorganizations into mutual bank holding
26 companies.

27 Division I takes effect upon enactment.

28 MISCELLANEOUS PROVISIONS. Division II of the bill
29 provides exemptions from provisions governing loans and other
30 transactions between a state bank and affiliates of the bank
31 contained in Code section 524.1102. The division authorizes
32 a state bank to own federal home loan bank shares in an amount
33 exceeding 15 percent of the state bank's aggregate capital,
34 but not exceeding 25 percent of the state bank's aggregate
35 capital, if the ownership of shares exceeding 15 percent

1 is needed to support the state bank's participation in the
2 federal home loan bank's acquired member assets program as
3 provided for in 12 C.F.R. pt. 955. The division states that
4 the superintendent may, in the superintendent's discretion, by
5 regulation or order, exempt transactions or relationships from
6 the requirements of that Code section if the superintendent
7 finds such exemptions to be in the public interest and
8 consistent with the purposes of the Code section. The division
9 provides that a state bank may request an exemption from the
10 requirements of Code section 524.1102 by submitting a written
11 request to the superintendent including a detailed description
12 of the transaction or relationship for which the state bank
13 seeks the exemption, a statement of the reasons for exemption
14 of the transaction or relationship, and an explanation of how
15 the exemption would be in the public interest and consistent
16 with the purposes of the Code section.

17 The division also modifies provisions relating to the
18 involuntary dissolution of a state bank. The division
19 eliminates the option of the superintendent applying to
20 the district court for the county in which the state bank
21 is located for appointment as receiver for the state bank,
22 providing instead that the superintendent shall tender the
23 receivership to the federal deposit insurance corporation. The
24 division states that thereafter the affairs of the state bank
25 shall be governed by specified sections of Code chapter 524,
26 and by the provisions of federal law, and shall be subject
27 to federal court jurisdiction. The division specifies that
28 federal law shall govern in the event of a conflict between
29 state and federal law provisions.

30 The division provides that under the receivership, the
31 rights of depositors and other creditors of the insured state
32 bank shall be determined in accordance with Iowa law, and that
33 the federal deposit insurance corporation as receiver shall
34 possess all the powers, rights, and privileges provided under
35 Code section 524.1311, except insofar as that Code section

1 may be in conflict with the laws of the United States. The
2 division also provides that if the federal deposit insurance
3 corporation pays or makes available for payment the insured
4 deposit liabilities of an insured state bank, the federal
5 deposit insurance corporation shall be subrogated by operation
6 of law to all rights against such insured state bank of
7 the owners of such deposits in the same manner and to the
8 same extent as subrogation of the federal deposit insurance
9 corporation is provided for in applicable federal law in the
10 case of a national bank. These provisions are currently
11 contained in Code section 524.1313, which applied if the
12 superintendent had optionally designated the federal deposit
13 insurance corporation as receiver, rather than as mandated by
14 the division. Accordingly, that Code section is repealed.

15 The division makes conforming changes relating to the
16 federal deposit insurance corporation being appointed as
17 receiver in Code section 524.1311 relating to receivership
18 procedures. The division deletes a provision that all expenses
19 of the receivership and dissolution shall be fixed by the
20 superintendent, subject to the approval of the district court,
21 and shall be paid out of the assets of the state bank. The
22 division provides that after the involuntary dissolution, the
23 superintendent shall file notice of the dissolution with the
24 secretary of state and the county recorder of the county in
25 which the state bank is located, that no fee shall be charged
26 by the secretary of state or the county recorder for the filing
27 or recording, and that the corporate existence of the state
28 bank shall cease upon filing of the notice of dissolution
29 with the secretary of state. The division deletes provisions
30 contained in Code section 524.1311 which had related to filing
31 of a final report by the superintendent and filing of a decree
32 of dissolution by the district court.

33 The division additionally provides, with respect to
34 examinations of the books, accounts, records, and files
35 of a mortgage banker licensee, that the superintendent of

1 banking acting as the administrator under Code chapter 535B
2 may furnish information relating to supervision of closing
3 agent licensees whose activities relate to the issuance of
4 title guaranty certificates issued by the title guaranty
5 division of the Iowa finance authority to the title guaranty
6 division. The bill states that the title guaranty division may
7 use this information to satisfy its reinsurance requirements
8 and may provide the information to its reinsurer to the
9 extent necessary to satisfy reinsurer requirements provided
10 the reinsurer agrees to maintain the confidentiality of the
11 information. The bill directs the title guaranty division to
12 maintain the confidentiality of all other information provided
13 in the course of the examination.

14 The provisions of division II regarding involuntary
15 dissolution take effect upon enactment.

16 SAVINGS AND LOAN ASSOCIATIONS. Division III of the bill
17 repeals Code chapter 534, relating to state savings and loan
18 associations. The division makes conforming changes consistent
19 with the repeal of the Code chapter. The bill additionally
20 deletes references to building and loan associations and, where
21 appropriate, to savings banks.

22 Additionally, the division replaces references in Code
23 section 12C.13 relating to deposits of public funds not
24 constituting being a shareholder, stockholder, or owner of
25 a corporation in violation of specified provisions of law
26 with references to Code chapter 524 and a mutual corporation
27 as defined in the bill. Further, the bill modifies the
28 representation of public members on boards establishing policy
29 for a central routing unit under Code section 527.9.