

*Be it enacted by the General Assembly of the State of Iowa:*

**SECTION 1. Loans on policies.** Section eighteen hundred and six (1806) of the code is hereby amended by striking out paragraph "6" of said section and enacting in lieu thereof as follows:

"6. Loans upon its own policies, in an amount not exceeding the net terminal reserve or advanced insurance fund against the same, as shown by the valuation thereof made under the direction of the auditor of state. If such loan is made the company must describe in the note or contract taken the amount of the loan, the name of the borrower, the number of the policy, or such description, satisfactory to the auditor of state, whereby the terms of such note or contract makes the amount loaned a lien against such policy, and such note or contract shall be numbered, dated, and signed, giving the postoffice address of the insured. All such securities shall be deposited with the auditor of state, who shall furnish the company or association depositing them a certificate, under the seal of his office, showing the purpose of the deposit and to what fund it is to be applied when paid."

Approved April 7, 1900.

## CHAPTER 67.

### RELATING TO SAVINGS BANKS.

S. F. 8.

AN ACT to add to chapter ten (10) of title nine (9) and to amend sections one thousand eight hundred and forty-eight (1848) and one thousand eight hundred and fifty-two (1852) of the code, relating to savings banks.

*Be it enacted by the General Assembly of the State of Iowa:*

**SECTION 1. Surplus fund—how invested.** That chapter ten (10) of title nine (9) of the code be amended by adding thereto the following:

"The directors of any savings bank may set apart from its earnings, over and above expenses, any desired sum as a surplus fund, to be maintained as such, separate and apart from earnings usually carried and designated as undivided profits, and which surplus fund shall not be drawn upon for the payment of expenses or dividends, except that it may be made use of as a stock dividend for increasing the capital of the bank. Such surplus fund shall be invested in the same manner as the capital of the bank, as provided in section eighteen hundred and forty-eight (1848) of this chapter. The directors may transfer said surplus fund, or any part of the same, back to the undivided profits account, and make use of the same, when so transferred, for the payment of expenses and dividends when the deposits of the bank shall be less than ten times the capital, or capital and remaining surplus, and not otherwise."

**SEC. 2. Deposits.** That section eighteen hundred and forty-eight (1848) of the code is hereby amended by striking out the first four lines of the same and inserting in lieu thereof the following:

"Any savings bank organized under this chapter may receive on deposit money equal to ten times the aggregate amount of its paid-up capital and surplus, and no greater amount of deposits shall be received without a corresponding increase of the aggregate paid-up capital and surplus, which capital and surplus shall be a guaranty."

**SEC. 3. Interest—dividends.** That section eighteen hundred and fifty-two (1852) of the code is hereby amended by striking out the word

"surplus" in the second line of the same, and inserting in lieu thereof the words "undivided profits."

SEC. 4. **Withdrawal of deposits.** That section one thousand eight hundred forty-eight (1848) of the code be and the same is hereby amended by inserting in line 14 before the word "deposits" the word "savings."

SEC. 5. **In effect.** This act, being deemed of immediate importance, shall take effect and be in force from and after its publication in the Iowa State Register and the Des Moines Leader, newspapers published at Des Moines, Iowa.

Approved April 3, 1900.

I hereby certify that the foregoing act was published in the Iowa State Register and the Des Moines Leader April 5, 1900.

G. L. DOBSON,  
Secretary of State.

## CHAPTER 68.

### RECEIVING OF TIME DEPOSITS BY LOAN AND TRUST COMPANIES.

H. F. 260.

AN ACT to amend section eighteen hundred eighty-nine (1889) of the code, relating to the receiving of time deposits by loan and trust companies.

*Be it enacted by the General Assembly of the State of Iowa:*

SECTION 1. **Limitations.** That section eighteen hundred eighty-nine (1889) of the code is hereby amended by inserting, after the word "deposits" in the thirteenth line thereof, the following: "Subject to the same limitations as are now or may hereafter be prescribed for the receiving of deposits by state banks."

Approved April 6, 1900.

## CHAPTER 69.

### BUILDING AND LOAN ASSOCIATIONS.

S. F. 311.

AN ACT to amend chapter thirteen (13), title nine (9) of the code, and to repeal chapter forty-eight (48) acts of the 27th General Assembly, relating to building and loan associations, and defining certain offenses and providing penalties therefor.

*Be it enacted by the General Assembly of the State of Iowa:*

SECTION 1. **Forbidden stocks—rate of dividend.** That no building and loan or savings and loan associations shall issue guaranty stock, fully paid stock, or single payment stock, or any stock of any other kind or name which shall receive fixed dividends, or is not subject to all the liabilities of all other classes of stock of said associations, except that it shall be lawful for such associations to issue fully paid stock upon the payment by the holder thereof of the par value of such stock upon which the dividends to be declared shall not exceed the sum named in said certificate of stock, but in no event shall the dividend exceed eight per cent per annum nor the rate of dividend declared upon the other stock of said association, which said stock shall be subject to be called in and redeemed by the said association by giving the holder thirty days' notice thereof. But such stock shall not be entitled to vote at any stock holders meeting. Any association having heretofore issued stocks forbidden by this section must retire the same on or before January 1, 1901, and the same may be retired either by paying the amount due thereon in cash or by the issuing of stock permitted to be issued by the provisions of this section.

SEC. 2. **Expenditures and expenses—compensation of officers and agents.** All expenditures and expenses for management and conducting the affairs of said associations, not including membership fees and charges