

of such persons, ~~any--sum--of--money--or--any--property--as--a--gift--or--loan,--or~~
~~otherwise~~ a loan of money or property, either directly or indirectly.

Approved May 4, 1981

CHAPTER 173

BANKS POWERS

S. F. 300

AN ACT relating to the powers of banks with respect to the compensation of directors, permissible accounts and related charges, places of doing business, permissible investments, loan charges, contracts for data processing services, and cash reserve requirements.

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

Section 1. Section 524.610, unnumbered paragraph 1, Code 1981, is amended to read as follows:

~~Subject--to--the--approval--of--the--superintendent,--the~~ The shareholders of a state bank shall fix the compensation of directors for their services as members of the board of directors.

Sec. 2. Section 524.805, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. A state bank may receive deposits from one or more persons with the provision that upon the death of the depositors the deposit account shall be the property of the person or persons designated by the deceased depositors as shown on the deposit account records of the state bank. The account is subject to the debts of the deceased depositors and the payment of Iowa inheritance tax provided, that upon the expiration of six months after the date of death of the deceased depositors, the receipt or acquittance of the persons designated is a valid and sufficient release and discharge of the state bank for the delivery of any part or all of the account.

Sec. 3. Section 524.806, Code 1981, is amended to read as follows:

524.806 DEPOSIT IN THE NAMES OF TWO OR MORE INDIVIDUALS. When a deposit ~~shall--be~~ is made in any state bank in the names of two or more individuals, payable to ~~either~~ any one or more of them, or payable to ~~either--or~~ the survivor or survivors, ~~such the~~ such the deposit, including interest, or any part thereof, may be paid to ~~either~~ any one or more of such the individuals whether the ~~other~~ others be living or not, and the receipt or acquittance of the ~~individual~~ individuals so paid ~~shall-be~~ is a valid and sufficient release and discharge to the state bank for any payment so made.

Sec. 4. Section 524.904, subsection 4, Code 1981, is amended by adding the following new paragraph:

NEW PARAGRAPH. Obligations of the customer equal in dollar amount to the amount of time certificates of deposit in the state bank, held in the name of that customer, which the state bank may lawfully offset against the obligations of that customer in the event of default. For the purpose of this paragraph an amount held in a time certificate of deposit in the name of more than one customer shall be counted only once with respect to all such customers, allocated as the customers may determine.

Sec. 5. Section 524.905, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. When an installment of a loan made pursuant to this section is not paid when due, a state bank may collect a single delinquency charge, in an amount not to exceed the greater of five percent of the installment or five dollars, for each installment in arrears for a period of more than fifteen days, provided that a delinquency charge shall not be made if the delinquency is caused by acceleration or by application of an otherwise timely payment to a prior delinquent installment.

Sec. 6. Section 524.1201, Code 1981, is amended to read as follows:

524.1201 GENERAL PROVISIONS. No bank shall open or maintain a branch bank. A state bank may establish and operate bank offices subject to approval and regulation of the superintendent and to the restrictions upon location and number imposed by section 524.1202. A bank office may furnish all banking services ordinarily furnished to customers and depositors at the principal place of business of the state bank which operates the office, and a bank office manager or an officer of the bank shall be physically present at each bank office during a majority of its business hours. The central executive and official business and principal record-keeping functions of a state bank shall be exercised only at its principal place of business, except that data processing services referred to in section 524.804 may be performed for the state bank at some other point. All transactions of a bank office shall be immediately transmitted to the principal place of business of the state bank which operates the office, and no current record-keeping functions shall be maintained at a bank office except to the extent the state bank which operates the office deems it desirable to keep there duplicates of the records kept at the principal place of business of the state bank.

Sec. 7. Section 524.1202, subsection 2, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

2. a. A state bank may establish bank offices within the municipal corporation or urban complex in which the principal place of business of the bank is located, subject to the following conditions and limitations:

(1) If the municipal corporation has a population of fifty thousand or less according to the most recent federal census, the state bank shall not establish more than three bank offices.

(2) If the municipal corporation or urban complex has a population of more than fifty thousand but not more than one hundred thousand according to the most recent federal census, the state bank shall not establish more than three bank offices.

(3) If the municipal corporation or urban complex has a population of more than one hundred thousand but not more than two hundred thousand

according to the most recent federal census, the state bank shall not establish more than four bank offices.

(4) If the municipal corporation or urban complex has a population of more than two hundred thousand according to the most recent federal census, the state bank shall not establish more than five bank offices.

b. For purposes of this subsection, "urban complex" means the geographic area bounded by the corporate limits of two or more municipal corporations, each of which being contiguous to or cornering upon at least one of the other municipal corporations within the complex. A state bank located in a municipal corporation or urban complex which is located on a boundary of this state and contiguous to a municipal corporation in another state may have one bank office in addition to the number of bank offices permitted by paragraph a; provided that nothing contained in this paragraph authorizes a state bank to establish a bank office outside of the boundaries of this state.

c. One such facility located in the proximity of a state bank's principal place of business may be found by the superintendent to be an integral part of the principal place of business, and not a bank office within the meaning of this section. This paragraph does not authorize more than one facility to be found to be an integral part of a bank's principal place of business.

d. One such facility that is located on the same property, or that is adjacent to or cornering upon the property on which an office of a bank is located, or that is separated from being adjacent to or cornering upon the property only by a street, alley, or other publicly owned right of way, may be found by the superintendent to be an integral part of that office location and not a separate bank office within the meaning of this section. This paragraph does not authorize more than one facility to be found to be an integral part of a bank office.

Sec. 8. Section 524.1212, Code 1981, is amended to read as follows:

524.1212 LOCATION OF SATELLITE TERMINALS. Any state bank may utilize a satellite terminal, as defined in section 527.2, when that satellite terminal is lawfully being operated, at any location within this state. A satellite terminal ~~authorized by which complies with the requirements of chapter 527 shall~~ is not be a branch bank or an office of a bank and is not subject to the restrictions on location or number set forth in section 524.1202. Any transaction engaged in through the use of a satellite terminal shall be deemed to take place at the principal place of business of a bank whose accounts and records are affected by the transaction.

Sec. 9. Section 524.218, subsection 2, Code 1981, is amended by striking the subsection.

Sec. 10. Section 524.901, subsection 2, paragraph e, Code 1981, is amended by striking the paragraph.

Sec. 11. Sections 524.816 and 524.817, Code 1981, are repealed.

Sec. 12. Section 7 of this Act takes effect July 1, 1983.

Approved June 15, 1981