

Notwithstanding other provisions of this section to the contrary, the department shall not release personal information to a person, other than to an officer or employee of a law enforcement agency, an employee of a federal or state agency or political subdivision in the performance of the employee's official duties, a contract employee of the department of inspections and appeals in the conduct of an investigation, or a licensed private investigation agency or a licensed security service or a licensed employee of either, if the information is requested by the presentation of a registration plate number. ~~However, In addition, an officer or employee~~ of a law enforcement agency may release the name, address, and telephone number of a motor vehicle registrant to a person requesting the information by the presentation of a registration plate number if the officer or employee of the law enforcement agency believes that the release of the information is necessary to prevent an unlawful act in the performance of the officer's or employee's duties. ~~A person seeking the information shall state in writing the nature of the unlawful act that the person is attempting to prevent.~~

Approved April 1, 1998

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## CHAPTER 1036

### BANK REGULATION AND OPERATION

#### S.F. 2301

**AN ACT** relating to the operation and regulation of banks and making technical corrections.

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

Section 1. Section 524.912, Code 1997, is amended to read as follows:

524.912 CUSTOMER SHALL BE FREE TO OBTAIN OWN INSURANCE AND LOAN.

In any case in which any kind of insurance is required by the state bank as a condition for lending money or in connection with any other transaction, the customer shall be free to obtain such insurance from a source of the customer's selection. In the case of a sale of shares of stock, bonds, or other securities, or real property by an officer or employee, which is authorized by the board of directors of a state bank in the manner provided for in ~~subsection 3 of~~ section 524.710, subsection 1, paragraph "b", the purchaser shall be free to obtain any a loan for the purchase thereof of such stock, bonds, or other securities, or real property from a lender of the purchaser's selection.

Sec. 2. Section 524.1002, subsection 5, Code 1997, is amended to read as follows:

5. Unless otherwise authorized by the instrument creating the relationship, court order, or the laws of this state, a state bank, as fiduciary, shall not, directly or indirectly, sell any asset to the state bank for its own account, or to an officer, director, or employee, nor purchase from the state bank, or an officer, director, or employee, any asset or any security issued by the state bank except, in the case of a state bank, any of the following:

a. Investments in which a state bank may invest without limitation pursuant to section 524.901, subsection 1, ~~3.~~

b. Assets purchased by the state bank pursuant to an agreement whereby the state bank is bound to sell, and the state bank as fiduciary is bound to buy, at a date not more than one year from the date of acquisition by the state bank, such assets at a price agreed upon at the time of acquisition by the state bank, ~~or.~~

c. Any asset sold to the state bank for its own account or purchased in a fiduciary capacity from the state bank with the prior approval of the superintendent.

Sec. 3. NEW SECTION. 524.1206 IDENTIFICATION OF LEGALLY CHARTERED NAME OF BANK — REQUIRED USE OF NAME.

A state or national bank, at its locations in this state, shall identify its principal place of business, any bank office, or any bank branch in a manner which includes its legally chartered name or a reasonable variation of such name. The legally chartered name of the state or national bank shall be used in all legal documents of such bank.

Sec. 4. Section 524.1405, subsection 2, paragraph f, Code 1997, is amended to read as follows:

f. The shares of each party to the merger that are to be converted into shares, obligations, or other securities of the surviving party or any other corporation or into cash or other property are converted, and the former holders of the shares are entitled only to the rights provided in the articles of merger or to their rights under ~~division XIII of this chapter~~ section 524.1406.

Sec. 5. Section 524.1409, Code 1997, is amended to read as follows:

524.1409 AUTHORITY FOR CONVERSION OF NATIONAL BANK OR FEDERAL SAVINGS ASSOCIATION INTO STATE BANK.

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

Sec. 6. Section 524.1410, unnumbered paragraph 1, Code 1997, is amended to read as follows:

A national bank or federal savings association shall make an application to the superintendent for approval of the conversion in a manner prescribed by the superintendent and shall deliver to the superintendent, when available:

Sec. 7. Section 524.1411, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The articles of conversion shall be signed by two duly authorized officers of the national bank or federal savings association and shall contain all of the following:

Sec. 8. Section 524.1411, subsection 1, Code 1997, is amended to read as follows:

1. The name of the national bank or federal savings association and the name of the resulting state bank.

Sec. 9. Section 524.1412, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Within thirty days after the application for conversion has been accepted for processing, the national bank or federal savings association shall publish a notice of the delivery of the articles of conversion to the superintendent once each week for two successive weeks in a newspaper of general circulation published in the municipal corporation or unincorporated area in which the national bank or federal savings association has its principal place of business, or if there is none, a newspaper of general circulation published in the county, or in a county adjoining the county, in which the national bank or federal savings association has its principal place of business. The notice shall set forth all of the following:

Sec. 10. Section 524.1412, subsection 1, Code 1997, is amended to read as follows:

1. The name of the national bank or federal savings association and the name of the resulting state bank.

Sec. 11. Section 524.1413, Code 1997, is amended to read as follows:

## 524.1413 APPROVAL OF CONVERSION BY SUPERINTENDENT.

1. Upon acceptance for processing of an application for approval of a conversion, the superintendent shall conduct such investigation as the superintendent deems necessary to ascertain the following:

1- a. The articles of conversion and supporting items satisfy the requirements of this chapter.

2- b. The plan adequately protects the interests of depositors.

3- c. The requirements for a conversion under all applicable laws have been satisfied and the resulting state bank would satisfy the requirements of this chapter applicable to it.

4- d. The resulting state bank will possess an adequate capital structure.

2. Within ninety days after the application has been accepted for processing, the superintendent shall approve or disapprove the application on the basis of the investigation. As a condition of receiving the decision of the superintendent with respect to the application, the national bank or federal savings association shall reimburse the superintendent for all expenses incurred in connection with the application. The superintendent shall give the national bank or federal savings association written notice of the decision and, in the event of disapproval, a statement of the reasons for the decision. If the superintendent approves the application, the superintendent shall deliver the articles of conversion, with the superintendent's approval indicated on the articles of conversion, to the secretary of state. The decision of the superintendent shall be subject to judicial review pursuant to chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, a petition for judicial review must be filed within thirty days after the superintendent notifies the national bank or federal savings association of the superintendent's decision.

Sec. 12. Section 524.1415, Code 1997, is amended to read as follows:

## 524.1415 EFFECT OF FILING OF ARTICLES OF CONVERSION WITH SECRETARY OF STATE.

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

2. When a conversion becomes effective, the existence of the national bank or federal savings association shall continue in the resulting state bank which shall have all the property, rights, powers, and duties of the national bank or federal savings association, except that the resulting state bank shall have only the authority to engage in such business and exercise such powers as it would have, and shall be subject to the same prohibitions and limitations to which it would be subject, upon original incorporation under this chapter. The articles of incorporation of the resulting state bank shall be the provisions stated in the articles of conversion.

3. No liability of the national bank or federal savings association, or of ~~its~~ the national bank's or federal savings association's shareholders, directors, or officers ~~shall be, is affected, nor shall any by the conversion. A~~ lien on any property of the national bank or federal savings association is not impaired by the conversion. Any A claim existing or action pending by or against the national bank or federal savings association may be prosecuted to judgment as if the conversion had not taken place, or the resulting state bank may be substituted in its place.

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

Sec. 13. Section 524.1416, Code 1997, is amended to read as follows:

## 524.1416 AUTHORITY FOR CONVERSION OF STATE BANK INTO NATIONAL BANK OR FEDERAL SAVINGS ASSOCIATION.

1. A state bank may convert into a national bank or federal savings association upon authorization by and compliance with the laws of the United States, and adoption of a plan of conversion by the affirmative vote of at least a majority of its directors and the holders of two-thirds of each class of its shares at a meeting held upon not less than ten days' notice to all shareholders. The authority of a state bank to convert into a national bank or federal savings association shall be subject to the condition that at the time of the transaction, the laws of the United States shall authorize a national bank or federal savings association located in this state, without approval by the comptroller of the currency of the United States or director of the office of thrift supervision, as applicable, to convert into a state bank under limitations and conditions no more restrictive than those contained in this section and section 524.1417 with respect to conversion of a state bank into a national bank or federal savings association.

2. A state bank which converts into a national bank or federal savings association shall notify the superintendent of the proposed conversion, provide such evidence of the adoption of the plan as the superintendent may request, notify the superintendent of any abandonment or disapproval of the plan, file with the superintendent and with the secretary of state a certificate of the approval of the conversion by the comptroller of the currency of the United States or director of the office of thrift supervision, as applicable, and the date upon which such conversion is to become effective.

Sec. 14. Section 524.1417, Code 1997, is amended to read as follows:

524.1417 RIGHTS OF DISSENTING SHAREHOLDER OF CONVERTING STATE OR NATIONAL BANK OR FEDERAL SAVINGS ASSOCIATION.

1. A shareholder of a state bank which converts into a national bank or federal savings association who objects to the plan of conversion is entitled to the rights and remedies of a dissenting shareholder as provided in chapter 490, division XIII.

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

Sec. 15. Section 524.1418, Code 1997, is amended to read as follows:

524.1418 SUCCESSION TO FIDUCIARY ACCOUNTS AND APPOINTMENTS - APPLICATION FOR APPOINTMENT OF NEW FIDUCIARY.

The provisions of section 524.1009 apply to a resulting state or national bank or federal savings association after a conversion with the same effect as though the state or national bank or federal savings association were a party to a plan of merger, and the conversion were a merger, within the provisions of that section.

Sec. 16. Section 524.1601, subsection 1, paragraph d, Code 1997, is amended to read as follows:

d. The amount of profit, fees or other compensation received, upon conviction of a violation of ~~subsection 3 of~~ section 524.710, subsection 1, paragraph "b".

Approved April 1, 1998