
CHAPTER 103—H.F.No.531

An act relating to banks; permitting banks to take second mortgages in federal disaster areas; amending Minnesota Statutes 1976, Section 48.19, Subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 48.19, Subdivision 1, is amended to read:

48.19 BANKS; SECOND MORTGAGES; FEDERAL DISASTER AREAS; LOANS ON REAL ESTATE RESTRICTED. Subdivision 1. RESTRICTIONS; EXCEPTION. No bank or trust company shall make any loan upon the security of real estate unless it is a first lien thereon, except that a bank or trust company may take a junior lien: (a) upon real estate to secure a loan previously contracted; or (b) upon farm real estate to secure a loan made to a farmer who resides in a county which due to weather conditions is a declared federal disaster area at the time the loan contract is signed. Before any such loans are made the value of the real estate shall be determined by an appraisal made by a committee appointed by the board of directors, which appraisal shall be made a matter of record; except that the board may accept an appraisal made by or for an agency of the United States government when such agency is guaranteeing or insuring the loan or any part thereof.

A bank may take additional liens on the same security and these shall be considered to be part of the same mortgage lien thereon providing it has been established that there are no intervening liens.

Loans in which the small business administration cooperates through agreements to participate on an immediate or deferred basis under the federal small business act or loans or obligations secured or guaranteed by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States, shall not be subject to the restrictions or limitations of this section imposed upon loans secured by real estate.

Sec. 2. EFFECTIVE DATE. This act is effective the day following its final enactment.

Approved May 18, 1977.

CHAPTER 104—H.F.No.787

[Coded]

An act relating to savings banks; allowing savings banks to establish negotiable order of

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withdrawal accounts; imposing reserve requirements; amending Minnesota Statutes 1976, Chapter 50, by adding a section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Chapter 50, is amended by adding a section to read:

[50.175] SAVINGS BANKS; NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNT. Any savings bank organized and operating pursuant to this chapter, may establish negotiable order of withdrawal accounts on which it may or may not pay interest or dividends. Withdrawals from the accounts are subject to the right of the savings bank to require the depositor or account holder to give notice of an intended withdrawal not less than 30 days before the withdrawal is made, even though in practice the notice is not regularly required and the depositor or account holder is allowed to make withdrawals by negotiable or transferable instruments for the purpose of making payments to third persons or otherwise.

A savings bank shall always keep a reserve of at least seven percent of its noninterest or nondividend bearing negotiable order of withdrawal accounts, which shall be in cash, cash items in process of collection, balances due on demand from solvent banks in the United States, and not more than 30 percent in direct obligations of the United States Treasury which mature within one year from the date the obligations are first considered as a part of the bank's reserve. If on any one day a savings bank shall fail to meet the reserve requirements of this section then that bank shall pay a fine of \$50 per day to the commissioner of banks on his making a request for payment. Whenever the commissioner of banks shall determine that the maintenance of sound banking practices or the prevention of injurious credit expansion or contraction makes action advisable, he may by directive change the requirements as to reserves against noninterest or nondividend bearing negotiable order of withdrawal accounts in savings banks. The reserve requirements established in any such directive shall not be less than seven percent, nor more than those required of member banks of the Federal Reserve System on the date that the directive is issued by the commissioner unless these reserve requirements are less than seven percent.

Approved May 18, 1977.

CHAPTER 105—H.F.No.882

An act relating to commerce; providing for disclosure of mileage traveled by motor vehicles; amending Minnesota Statutes 1976, Sections 168A.04, Subdivision 1; 168A.05, Subdivision 3; 168A.10, Subdivision 1; and 168A.11, Subdivisions 1 and 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 168A.04, Subdivision 1, is amended to

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