

2675.3130 PARCELS OF UNSOLD "OTHER REAL ESTATE."

Parcels of unsold "other real estate."

A. Parcels of "other real estate," not yet sold on contract for deed, must be charged off against the legal reserve account annually at the rate of at least five percent of the original amount. The first charge-off for each parcel must be made not later than 12 months after the date of acquisition.

B. In lieu of item A, and if an association chooses to establish a specific reserve for losses for the excess book value of unsold real estate parcels based on dated and signed appraisals by the association of qualified appraisers at the time the association acquires each parcel, it may do so by transferring these amounts from the legal reserve account. If said parcels of other real estate continue to remain unsold and when due passage of years prove the specific reserve for losses to be insufficient based on annual multiples of five percent of the original amount, as the case may be, the association shall then begin annual transfers, as provided in item A, to the specific reserve account from the legal reserve account.

Statutory Authority: *MS s 51A.42*

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