

CHAPTER 53

INDUSTRIAL LOAN AND THRIFT COMPANIES

53.01 ORGANIZATION.

Except as restricted by the provisions of Chapter 53, or the provisions of Chapter 301 are in conflict with the purposes of Chapter 53, industrial loan and thrift companies have the powers of corporations organized under Chapter 301. OAG Oct. 19, 1945 (53-F).

53.02 CAPITAL AND SURPLUS.

Amended by L. 1947 c. 20 s. 1.

53.03 CERTIFICATE.

Amended by L. 1947 c. 20 s. 2.

An industrial loan and thrift company licensed to do business at any particular place, must be confined in its business operations to the locality of the banking area of its principal place of business, and may not make loans throughout the state. OAG Dec. 17, 1946 (53-F).

53.04 SPECIAL POWERS.

Where interest is paid in advance, if maturity is accelerated by the payee, he must refund or give credit for unearned interest payments, and, where a note is prepaid at the instance of the maker, in the absence of agreement to the contrary, he is not entitled to a refund of the unearned interest payments. 1944 OAG 24, Feb. 29, 1944 (29-A-18).

Loans to veterans under L. 1945, c. 177, and under G. I. bill of rights. OAG Nov. 27, 1944 (29a-20).

Industrial loan and thrift companies may purchase real estate mortgages or vendor's interest in land contracts; but have no authority to engage in real estate business. OAG July 16, 1945 (53-f).

Except as restricted companies organized under this chapter have the powers of corporations organized under the business corporation act. OAG Oct. 19, 1945 (53-F).

Companies may not engage in the business of buying and selling real estate except as incidental to carrying on their granted charter powers, but may purchase mortgages for investment. OAG July 16, 1945 (53-F).

Industrial loan and thrift companies may not loan money to their officers or directors. OAG Oct. 19, 1945 (53-F).

Industrial loan and thrift companies have no right to loan money on security of real estate, loan money for a period in excess of 18 months, or hold stock of other corporations except as acquired in the course of business by enforcement of rights as pledges or stock given as security for previous indebtedness. It may loan money on terms providing for collection of interest on payment dates provided rate charged is not in excess of eight per cent simple interest, on declining principal balances; at a rate not in excess of eight per cent without requiring pledging of certificates of indebtedness as security; at a rate not to exceed eight per cent on terms providing for interest on demand or in lump sum at maturity; or may sell or transfer, with or without recourse, loans made under section 53.04, subd. 2, and assign pledged certificates of indebtedness as collateral security even though the assignee is not licensed under the act. OAG May 22, 1946 (53-F).

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Under the provisions of L. 1945, c. 439, s. 1, an industrial loan and thrift company may deduct advance interest at a rate not in excess of six per cent discount per annum, subject to the 18 month limitation. OAG May 22, 1946 (53-F).

Quo warranto, injunctive relief, or declaratory judgment proceedings may be taken where the company acts beyond the provisions of its charter. OAG May 22, 1946 (53-F).

53.05 LIMITATION OF POWERS.

Amended by L. 1947 c. 20 s. 3.

Only such loans may be made as are authorized under the creative act. Loans to directors or officers is prohibited. OAG Oct. 19, 1945 (53-F).

53.06 DIRECTORS, RESIDENCE.

Amended by L. 1947 c. 20 s. 4.

53.08 DIVIDENDS.

Amended by L. 1947 c. 20 s. 5.

53.09 EXAMINATION.

Amended by L. 1947 c. 20 s. 6.

The state commissioner of banks has control and supervision under the provisions of this section as to carrying as assets investments not purchasable by state banks or savings banks. OAG May 22, 1946 (53-F).