

CHAPTER 47

FINANCIAL CORPORATIONS

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NOTE: "Commissioner" means commissioner of banks. See sections 46.03 and 46.04.

47.01 DEFINITIONS. Subdivision 1. **Terms.** Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of this chapter, shall be given the meanings ascribed to them.

Subd. 2. **Bank.** A bank is a corporation under public control, having a place of business where credits are opened by the deposit or collection of money and currency, subject to be paid or remitted upon draft, check, or order, and where money is advanced, loaned on stocks, bonds, bullion, bills of exchange, and promissory notes, and where the same are received for discount or sale; and all persons and copartnerships, respectively, so operating, are bankers.

Subd. 3. **Savings bank.** A savings bank is an institution under like control, managed by disinterested trustees solely, authorized to receive and safely invest the savings of small depositors.

Subd. 4. **Trust company.** A trust company is a corporation under like control authorized, within prescribed limitations, to act as a safe deposit company, trustee or representative for or under any court, public or private corporation, or individual, and as surety or guarantor.

Subd. 5. **Building and loan association.** A building and loan association is a corporation under like control authorized solely to accumulate funds to be loaned to members to assist them in acquiring homes.

[*RL s 2967*] (7635)

47.015 CLOSING ON CERTAIN DAYS. Subdivision 1. **Financial institutions.** As used in this section the term "financial institution" shall include banks, trust companies, banks and trust companies, mutual savings banks, industrial loan and thrift companies, savings and loan associations, building and loan associations, national banking associations, federal reserve banks and federal savings and loan associations now or hereafter doing business in this state.

Subd. 2. **Saturday; Monday following holiday.** Any financial institution in the state may remain closed on any Saturday and on any Monday next following a Sunday on which falls a holiday designated by any law of this state. Any Saturday or any Monday on which any financial institution remains closed is a holiday and not a business day with respect to that institution. Any act which by law or contract may be

performed on any such Saturday or Monday, at, by, or with respect to any such financial institution remaining closed on such day may be performed on the next succeeding regular business day. No liability or loss of rights on the part of any person or financial institution shall result from such closing.

Subd. 3. **May remain open on Mondays or holidays.** Any financial institution in the state may remain open for the transaction of business on any such Monday or on any holiday designated by any law of this state, and on any such day any financial institution in this state may accept, certify or pay checks, drafts or other instruments, may charge the same against the accounts of customers, and may receive payment of notes, drafts and other instruments, all to the same extent and with the same legal effect as if such day were a regular business day, but nothing herein contained shall affect the due date of any time instrument.

[1949 c 38 s 1; 1951 c 128 s 1; 1953 c 61 s 1; 1953 c 445 s 1; 1955 c 9 s 1; 1955 c 202 s 1; 1955 c 229 s 1; 1955 c 631 s 1; 1955 c 787 s 1]

47.0151 EMERGENCY SUSPENSION OF BUSINESS, DEFINITIONS. Subdivision 1. For the purposes of sections 47.0151 to 47.0155, the terms defined in this section have the meanings given them, unless the context requires otherwise.

Subd. 2. "Commissioner" means the commissioner of banks.

Subd. 3. "Financial institution" includes a bank, a savings bank, a trust company, any branch or agency of a foreign banking organization, a person or association of persons lawfully carrying on the business of banking, a savings and loan association, and, so far as the provisions of sections 47.0151 to 47.0155 are consistent with federal law, national banks and federal savings and loan associations.

Subd. 4. "Officer" means the person designated by the board of directors, board of trustees, or other governing body of a financial institution, to act for the financial institution in carrying out the provisions of sections 47.0151 to 47.0155 or, in the absence of a designation or of the officer or officers designated, the president or any other officer currently in charge of the operations of the financial institution or of the office or offices in question.

Subd. 5. "Office" means any place at which a financial institution transacts its business or conducts operations related to its business.

Subd. 6. "Emergency" means any condition or occurrence which may interfere physically with the conduct of normal business operations at one or more or all of the offices of a financial institution and which poses an imminent or existing threat to the safety or security of persons or property, or both. An emergency includes but is not limited to fire; flood; earthquake; hurricane; wind, rain, or snow storms; labor disputes and strikes; power failures; transportation failures; interruption of communication facilities; shortages of fuel, housing, food, transportation or labor; robbery or attempted robbery; actual or threatened enemy attack; epidemics or other catastrophes, riots; civil commotions; and other acts of lawlessness or violence.

[1971 c 318 s 1]

47.0152 POWER OF COMMISSIONER. Whenever the commissioner is of the opinion that an emergency exists, or is impending, in the state or in a part of it, he may, by proclamation, authorize financial institutions located in the affected area to close any or all of their offices. In addition, if the commissioner is of the opinion that an emergency exists, or is impending, which affects, or may affect, a particular financial institution or a particular office of it, but not financial institutions located in the area generally, he may authorize the particular financial institution or office affected, to close. The office closed shall remain closed until the commissioner proclaims that the emergency has ended, or until an earlier time when the officers of the financial institution determine that an office, closed because of the emergency, should reopen, and, in either event, for the further time reasonably necessary to reopen.

[1971 c 318 s 2]

47.0153 POWERS OF OFFICERS. Subdivision 1. When the officers of a financial institution are of the opinion that an emergency exists, or is impending, which affects, or may affect, a financial institution's offices, they shall have the authority, in the reasonable exercise of their discretion, to determine not to open any of its offices on any business day or, if having opened, to close an office during the continuation of the emergency, even if the commissioner does not issue a proclamation of emergency.

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The office closed shall remain closed until the time that the officers determine the emergency has ended, and for the further time reasonably necessary to reopen. No financial institution office shall remain closed for more than 48 consecutive hours, excluding other legal holidays, without the prior approval of the commissioner, or in the case of a national bank, the comptroller of the currency.

Subd. 2. The officers of a financial institution may close the financial institution or one or more of the financial institution's offices on a day designated, by the President of the United States or the governor as a day of national mourning, rejoicing, or other special observance.

[1971 c 318 s 3]

47.0154 NOTICE TO COMMISSIONER. A financial institution closing an office or offices pursuant to the authority granted under section 47.0153, subdivision 1, shall give as prompt notice of its action, as conditions will permit and by any means available, to the commissioner, and in the case of a national bank, to the comptroller of the currency and in case of federal savings and loans, to the federal home loan bank board.

[1971 c 318 s 4]

47.0155 EFFECT OF CLOSING. Any day on which a financial institution, or any of its offices, is closed during all or part of its normal business hours pursuant to sections 47.0151 to 47.0155 shall be, with respect to the financial institution or, if not all of its offices are closed, then with respect to the office which is closed, a legal holiday for all purposes with respect to any financial institution business of any character. No liability, or loss of rights of any kind, on the part of any financial institution, or director, officer, or employee thereof, shall accrue or result by virtue of any closing authorized by sections 47.0151 to 47.0155.

The provisions of sections 47.0151 to 47.0155 shall be construed and applied as being in addition to, and not in substitution for or limitation of, any other law of this state or of the United States, authorizing the closing of a financial institution or excusing the delay by a financial institution in the performance of its duties and obligations because of emergencies or conditions beyond the financial institution's control, or otherwise.

[1971 c 318 s 5]

47.02 "BANK" AND "SAVINGS BANK." A "bank" is a corporation having a place of business in this state, where credits are opened by the deposit of money or currency, or the collection of the same, subject to be paid or remitted on draft, check, or order; and where money is loaned or advanced on stocks, bonds, bullion, bills of exchange, or promissory notes, and where the same are received for discount or sale. A "savings bank" is a corporation managed by disinterested trustees, solely authorized to receive and safely invest the savings of small depositors. Every "bank" or "savings bank" in this state shall at all times be under the supervision and subject to the control of the commissioner of banks, and when so conducted the business shall be known as "banking."

[1907 c 111 s 1; 1909 c 103 s 1] (7636)

47.03 USE OF CERTAIN WORDS PERMITTED. Subdivision 1. No individual, partnership, unincorporated association, or corporation, except as specifically authorized by the laws of this state, who does not hold an effective certificate of authority, issued by the commissioner of banks, to engage in the business of banking and is not subject to and complying with all the provisions of law relating to banks shall engage in such business, or make use of the words "bank," "banker," or "banking," or any derivative or compound of any such words, or any word or words in a foreign language having the same or a similar meaning, in its business name or in any sign, symbol, token, letterhead, circular, advertisement, or any other written or printed matter, in such manner as might indicate to any person that such individual, partnership, unincorporated association, or corporation is authorized to engage in the business of banking. This subdivision shall not apply to any holding company affiliate or affiliate as defined in the Act of Congress, known as the Banking Act of 1933, nor to any insurance company authorized to engage in the insurance business in the state of Minnesota.

Subd. 2. Every individual, partnership, unincorporated association, or corporation which shall violate any of the provisions of this section shall forfeit to the state the sum of not to exceed \$100 for each day the violation shall continue, as determined by the court, to be recovered in a civil action to be brought by the attorney general in the name of the state at the request of the commissioner of banks, and may be enjoined from any further violation in an action brought in the name of the state for that purpose.

[1907 c 111 s 2; 1945 c 133 s 1] (7637)

47.04 [Repealed, 1945 c 133 s 3]

47.05 [Repealed, 1945 c 133 s 3]

47.07 COMPANIES SUBJECT TO PROVISIONS. All companies, associations, and corporations organized under any law of this state, other than those relating to the organization of banks and trust companies, which assume or exercise any of the functions, powers, or privileges conferred upon banks or trust companies under any law of this state, shall be subject to all the limitations, penalties, and requirements incident or pertaining to these functions, powers, or privileges; and the stockholders or persons forming the same shall be liable in the same manner and to the same extent as if these companies, associations, and corporations were organized as banks or trust companies under this chapter.

[RL s 2982] (7655)

47.08 ARTICLES OF INCORPORATION FILED WITH COMMISSIONER. All persons proposing to incorporate and organize any financial institution, whether defined or described as such by the laws of the state, shall, before doing any business in the state as a corporation, and before filing their articles of incorporation with the secretary of state or with any other officer with whom the law requires such articles to be filed or recorded, file a copy of such articles with the commissioner of banks.

[1911 c 323 s 1] (7656)

47.09 ADVERTISEMENTS. No such financial institution shall, directly, indirectly, or by inference of any kind, display, represent, hold out or otherwise advertise as its capital, resources, assets or financial strength or ability or availability therefor, any capital, resources, or assets of any other financial institution or institutions, whether or not such other financial institution or institutions are in any way connected with such financial institution through or by way of a holding company or other corporation or similar structure; nor shall any such financial institution, the capital stock of which is, in whole or in part, controlled or owned by any such holding company, other corporation or similar structure, display, represent, hold out or otherwise advertise that it is affiliated with or has any other connection with such company, corporation or similar structure other than that which truly and actually exists; and no such financial institution shall advertise as its capital any amount other or greater than the amount of actual paid-in capital, which it shall have at the time of the appearance of such advertisement, and no such financial institution shall advertise in any way the aggregate or individual responsibility or financial worth of its stockholders, or in any manner seek to convey the impression that the financial resources of its stockholders above the limit provided by law are available for the purpose of meeting its liabilities.

[1911 c 323 s 2; 1925 c 169; 1931 c 380] (7657)

47.095 INTEREST RATES PAID ON DEPOSITS; DISPLAY. Any bank, savings bank, building and loan association, savings and loan association, or similar institutions, subject to the laws of the state of Minnesota, which, in its normal course of business, accepts deposits of money from any individual, shall conspicuously display signs, placards, decals, or other devices which shall contain a statement of the annual rate or rates of interest paid on such deposits and a statement showing the duration that moneys must be on deposit to be eligible for each such interest rate.

[1971 c 776 s 1]

47.096 TIME DEPOSITS; NOTICE OF AUTOMATIC RENEWAL. If a deposit for a term of one year or more, including a savings certificate and a certificate of deposit, is automatically renewable by its own terms if not redeemed at a specified redemption date, the financial corporation receiving the deposit shall give mailed written notice to the owner or holder of the deposit not less than 30 days prior to the

redemption date. The written notice shall be sent to the last known address of the owner or holder as filed with the financial corporation, shall state the date of the automatic renewal and shall state any penalty diminution of interest or other consequences to the owner or holder arising out of the failure to redeem prior to automatic renewal.

[1976 c 187 s 1]

47.10 REAL ESTATE; ACQUISITION, HOLDING. Save as otherwise specially provided, the net book value of land and buildings for the transaction of the business of such corporation, including parking lots and premises leased to others, shall not be more than as follows, assets other than cash being taken at cash market value; for a bank or a trust company 40 percent of its existing capital and surplus; and upon written approval of the commissioner of banks, 60 percent of its existing capital and surplus; for a savings bank, 50 percent of its net surplus; for a building and loan association, five percent of its net assets. Any such corporation may change its location, dispose of its place of business, and acquire another, upon the written approval of the commissioner of banks. With the exception of annual amortization charges which are made in accordance with such rules and regulations as the commissioner may prescribe, no state bank or trust company shall decrease the actual cost of such investment as shown on its books by a charge to any of its capital accounts unless approved by the commissioner.

[RL s 2976; 1941 c 37 s 1; 1955 c 104 s 1; 1957 c 601 s 4] (7648)

47.11 SELECTION OF NAME. Before execution of the certificate of incorporation of any such corporation, its proposed name shall be submitted to the commissioner of banks, who shall compare it with those of corporations operating in the state, and if it is likely to be mistaken for any of them, or to confuse the public as to the character of its business, or is otherwise objectionable, additional names shall be submitted until a satisfactory one is selected, whereupon he shall issue his certificate of approval thereof.

[RL s 2972] (7644)

47.12 FINANCIAL CORPORATIONS. Corporations may be formed for any one of the following purposes:

(1) Carrying on the business of banking, by receiving deposits, buying, selling, and discounting notes, bills, and other evidences of debt legal for investment, domestic or foreign, dealing in gold and silver bullion and foreign coins, issuing circulating notes, and loaning money upon real estate or personal security;

(2) Establishing and conducting clearing houses, for effecting, in one place, the speedy and systematic daily exchange and adjustment of balances between banks and bankers in any municipality, town, or county, establishing and enforcing uniform methods of conducting the banking business in such locality, and adjusting disputes or misunderstandings between members of such clearing house engaged in the banking business;

(3) Creating and conducting savings banks for the reception, on deposit, of money offered for that purpose, the investment thereof, and the declaring, crediting, and paying of dividends thereon, as authorized and provided by law;

(4) Transacting business as a trust company in conformity with the laws relating thereto; and

(5) Carrying on, in accordance with law, the business of building, loan, and savings associations.

[RL s 2847; 1965 c 171 s 3] (7441)

NOTE: See section 300.025.

47.14 CERTIFICATE, HOW ACCOMPANIED. The certificate of incorporation, when presented to the commissioner of banks, shall be accompanied, in the case of a bank, with the certificate of a solvent bank in this state of the deposit therein, in cash, to the credit of the proposed bank, and payable upon its order when countersigned by the commissioner of banks, of an amount equal to its capital stock, surplus and undivided profits. In the case of a reorganization of a former national bank, it shall also be accompanied with the written consent of the holders of a majority of its former capi-

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tal stock. In the case of a savings bank, it shall be accompanied with proof of four weeks' published notice of the intention of the incorporators to organize the same, specifying its proposed name and location, and the names of the proposed incorporators, and that a majority thereof reside in the county of its proposed location, and a sworn declaration by each proposed trustee that he will perform his duties as such to the best of his ability, according to law, with proof of the record of such declaration with the county recorder; and if there is a savings bank organized and doing business in such county, a copy of such notice shall be served by mail on such bank at least 15 days before the filing of such certificate.

[*RL s 2973; 1965 c 171 s 4; 1976 c 181 s 2*] (7645)

47.15 BYLAWS, WHERE FILED. Within 90 days after the adoption of bylaws or any amendment thereof, a certified copy of the same shall be filed with the commissioner of banks.

[*RL s 2975*] (7647)

47.16 CERTIFICATION BY COMMISSIONER. Subdivision 1. If the commissioner of banks is satisfied that such corporation has been organized for legitimate purposes, and under such conditions as to merit and have public confidence, and that all provisions of law applicable to every branch of business in which, by the terms of its certificate, it is authorized to engage, have been complied with, he shall so certify. When the original certificate, with proof of publication thereof, and the certificate of the secretary of state to the regularity of its incorporation, shall be filed with the commissioner of banks, he shall, within 60 days thereafter, execute and deliver to it his certificate of authority.

Subd. 2. For issuing a certificate required by Laws 1955, Chapter 820, relating to an original incorporation, the secretary of state shall be paid a fee of \$10. Where the certificate relates to the regularity of an amendment to the corporate articles, the secretary of state shall be paid a fee of \$5.

[*RL s 2974; 1955 c 820 s 11*] (7646)

47.17 VICE-PRESIDENTS; ELECTION, QUALIFICATIONS. The directors of any financial institution who are required, under the provisions of its articles of incorporation, to elect a vice-president, are hereby forbidden to elect any other person than a member of the board of directors or other such governing body as vice-president of such institution; provided, however, that if the articles of incorporation of any such financial institution provide for the election of more than one vice-president, so long as there is at least one vice-president fully qualified and acting who is a member of the board of directors or other such governing body, additional vice-presidents may be elected from stockholders or members of the corporation other than members of the board of directors or of such governing body.

[*1911 c 323 s 3; 1921 c 90 s 1*] (7658)

47.18 "CORPORATION"; "AGENCY." For the purpose of sections 47.18 and 47.19, the term "corporation" shall be construed to mean any bank, savings bank, trust company, insurance company, or building and loan association organized under the laws of this state; and the term "agency" shall be construed to mean the federal home loan bank of the district of which this state is a part, or of an adjoining district if convenience shall so require, or other financial corporation, association or agency created by any act of congress.

[*1933 c 101 s 1*] (7658-1)

47.19 CORPORATION MAY BE MEMBER OR STOCKHOLDER OF FEDERAL AGENCY. Any corporation is hereby empowered and authorized to become a member of, or stockholder in, any such agency, and to that end to purchase stock in, or securities of, or deposit money with, such agency and/or to comply with any other conditions of membership or credit; to borrow money from such agency upon such rates of interest, not exceeding the contract rate of interest in this state, and upon such terms and conditions as may be agreed upon by such corporation and such agency, for the purpose of making loans, paying withdrawals, paying maturities, paying debts, and for any other purpose not inconsistent with the objects of the corporation; provided, that the aggregate amount of the indebtedness, so incurred by such corporation, which shall be outstanding at any time shall not exceed 25 percent of the then total assets of the corporation; to assign, pledge and hypothecate its bonds, mortgages or other as-

sets; and, in case of building and loan associations, to repledge with such agency the shares of stock in such association which any owner thereof may have pledged as collateral security, without obtaining the consent thereunto of such owner, as security for the repayment of the indebtedness so created by such corporation and as evidenced by its note or other evidence of indebtedness given for such borrowed money; and to do any and all things which shall or may be necessary or convenient in order to comply with and to obtain the benefits of the provisions of any act of congress creating such agency, or any amendments thereto.

[1933 c 101 s 2] (7658-2)

47.20 USE OF FEDERAL ACTS; DEFINITIONS; INTEREST RATES; REQUIRED PROVISIONS; INTEREST ON ESCROW ACCOUNTS; PENALTY. Subdivision 1. Pursuant to such regulations as the commissioner of banks finds to be necessary and proper, if any, banks, savings banks, mutual savings banks, building and loan associations, and savings and loan associations organized under the laws of this state or the United States, trust companies, trust companies acting as fiduciaries, and other banking institutions subject to the supervision of the commissioner of banks, and mortgagees or lenders approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, are authorized:

(1) To make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are insured or guaranteed by the secretary of housing and urban development pursuant to the national housing act, as amended, or the administrator of veterans affairs pursuant to the servicemen's readjustment act of 1944, as amended, and to obtain such insurance or guarantees;

(2) To make such loans secured by mortgages on real property which the secretary of housing and urban development or the administrator of veterans affairs has insured or guaranteed or made a commitment to insure or guarantee, and to obtain such insurance or guarantees.

Subd. 2. For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional loan.

(d) Appraisal and survey of real property securing a conventional loan.

(e) A single service charge, which shall include any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional loan, and shall also include any consideration received by the lender for making a commitment for a conventional loan, whether or not an actual loan follows such commitment. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan.

(f) Charges and fees necessary for or related to the transfer of real property securing a conventional loan or the closing of a conventional loan paid by the borrower and received by any party other than the lender.

(2) "Conventional loan" means a loan or advance of credit to a noncorporate borrower in an original principal amount of less than \$100,000 which is not insured by the secretary of housing and urban development or guaranteed by the administrator of veterans affairs.

(3) "Finance charge" means the total cost of a conventional loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional loan or against a seller of real property securing

a conventional loan, or any other party to the transaction except any actual closing costs. The finance charges plus the actual closing costs charged by a lender shall include all charges made by a lender to the person obtaining the conventional loan other than the principal of the conventional loan.

(4) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c) and (d) of Regulation Z, 12 C.F.R. section 226, but using the definition of finance charge provided for in this subdivision. The finance charge shall be amortized over the contract term of the conventional loan.

(5) "Monthly index of long term United States government bond yields" means the monthly unweighted average of the daily unweighted average of the closing bid yield quotations in the over the counter market for all outstanding United States treasury bond issues, based on available statistics, which are either maturing or callable in ten years or more. This index is expressed in terms of percentage interest per annum.

Subd. 3. Pursuant to such regulations as the commissioner of banks finds to be necessary and proper, if any, banks, savings banks, mutual savings banks, building and loan associations, and savings and loan associations organized under the laws of this state or the United States, trust companies, trust companies acting as fiduciaries, and other banking institutions subject to the supervision of the commissioner of banks, and mortgagees or lenders approved or certified by the federal national mortgage association or the federal home loan mortgage corporation are authorized to make such conventional loans and purchases of obligations representing conventional loans as would be eligible for purchase by the federal national mortgage association or the federal home loan mortgage corporation as authorized by and defined by the Emergency Home Finance Act of 1970, as amended, but without regard to any limitations placed upon the maximum principal amount of an eligible conventional loan by said act.

Subd. 4. No conventional loan authorized in subdivision 3 shall be at a rate of interest in excess of a maximum lawful interest rate which shall be based upon the monthly index of long term United States government bond yields as compiled by the board of governors of the Federal Reserve System and as published by said board of governors in the monthly Federal Reserve Bulletin. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional loan authorized in subdivision 3 entered into or contracted for during any calendar month shall be equal to the monthly index of long term United States government bond yields for the second preceding calendar month plus an additional two percent per annum rounded off to the nearest quarter of one percent per annum or rounded off to the highest quarter of one percent per annum if equidistant.

(2) On or before the 20th day of each month the commissioner of banking shall determine, based on available statistics, the monthly index of long term United States government bond yields for the preceding calendar month and shall determine the maximum lawful rate of interest for conventional loans for the next succeeding month, as defined in clause (1) and shall cause such maximum lawful rate of interest to be published in the Bulletin of the Banking Division; such maximum lawful rate of interest to be effective on the first day of the next succeeding month.

(3) The loan yield obtained from a conventional loan authorized in subdivision 3 shall not exceed the maximum lawful rate of interest established in clause (1).

(4) A contract rate within the maximum lawful interest rate applicable to a conventional loan authorized in subdivision 3 at the time of the loan closing shall be the maximum lawful interest rate for the term of the conventional loan; except that a commitment for a conventional loan authorized in subdivision 3 which provides for consummation within some future time following the issuance of such commitment may be consummated pursuant to the provisions, including the interest rate, of such commitment notwithstanding the fact that the maximum lawful rate of interest at the time such conventional loan is actually entered into is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date such commitment was issued and provided that such commitment when issued and agreed to by the borrower shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional loan authorized in subdivision 3 within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the

date of commitment offer. The refinancing of an existing conventional loan authorized in subdivision 3 shall be deemed to be a new conventional loan for purposes of determining the maximum lawful rate of interest under this subdivision.

(5) This subdivision expires July 31, 1977. A contract or commitment for a conventional loan made pursuant to this subdivision made on or before July 31, 1977 at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the contract or commitment for such loan was made shall continue to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Subd. 5. No loan or advance of credit authorized in subdivisions 1 or 3 and contracted for on or after April 1, 1976, shall contain a provision requiring or permitting the imposition of a penalty in the event the loan or advance of credit is prepaid.

Subd. 6. No loan or advance of credit authorized in subdivisions 1 or 3 and contracted for on or after April 1, 1976, shall contain a provision requiring or permitting the imposition of a fee or penalty in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan or advance of credit and the obligation incurred thereby is assumed by another person.

Subd. 7. (1) No conventional loan authorized in subdivision 3 and contracted for on or after April 1, 1976 shall contain a provision requiring or permitting the imposition, directly or indirectly, of any discount points, whether or not actually denominated as discount points, on any person.

(2) Discount points shall be deemed not to include a fee paid to a lender by a person in the business of residential building or development in connection with a commitment by such lender to make conventional loans to credit worthy purchasers of real property which has not previously been occupied as a residence.

(3) No charges, fees, or sums permitted by Laws 1976, Chapter 300 which are paid to and received by a lender may be increased for purposes of evading compliance with this subdivision.

Subd. 8. (1) For purposes of this subdivision the term "mortgagee" shall mean all state banks and trust companies, national banking associations, state and federally chartered savings and loan associations, mortgage banks, mutual savings banks, insurance companies, credit unions or assignees of the above. Each mortgagee requiring funds of a mortgagor to be paid into an escrow, agency or similar account for the payment of taxes or insurance premiums with respect to a mortgaged one to four family, owner occupied residence located in this state, unless such account is required by federal law or regulation or maintained in connection with loans insured by the secretary of housing and urban development or guaranteed by the administrator of veterans affairs, shall calculate interest on such funds at a rate of not less than three percent per annum. Such interest shall be computed on the average monthly balance in such account of the first of each month for the immediately preceding 12 months of the calendar year or such other fiscal year as may be uniformly adopted by the mortgagee for such purposes and shall be annually credited to the remaining principal balance on the mortgage, or at the election of the mortgagee, paid to the mortgagor or credited to his account. If the interest exceeds the remaining balance, the excess shall be paid to the mortgagor or vendee. The requirement to pay interest shall apply to such accounts created prior to June 1, 1976 as well as to accounts created after June 1, 1976.

(2) The commerce commission shall have the power to prescribe, at the end of each calendar year, a rate of interest higher than that set by this subdivision. The rate so prescribed shall apply to the calendar year during which such rate is prescribed or to such other fiscal year beginning within such calendar year uniformly adopted by the mortgagee for such purposes. In prescribing any rate the commission shall consider pertinent economic and cost factors including, but not limited to: (1) current yields on short term investments, (2) current dividend rates paid on regular savings accounts throughout this state, (3) currently prevailing interest rates on conventional and insured or guaranteed mortgage loans in this state, (4) cost factors in maintaining accounts described in clause (1) of this subdivision and (5) such other pertinent economic or cost factors that the commerce commission shall deem to be appropriate.

(3) If at any time the use of such account is offered as an option to the mortgagor and the mortgagor continues or elects to use such account, interest need not be credited or paid.

(4) A mortgagee shall be prohibited from charging a direct fee for the administration of the escrow account.

(5) A mortgagee shall make timely payments of tax and insurance bills provided that funds paid into such account by the mortgagor are sufficient for such payment. If there is a shortage of funds the mortgagee shall promptly notify the mortgagor of such shortage. Failure to make the payment required by this clause shall subject the mortgagee to liability for all damages caused by such failure except that this sentence shall not deprive the mortgagee of the right to present any legal defenses in any subsequent proceeding. The mortgagee is permitted to make any payment on behalf of the mortgagor even though there are not sufficient funds in a particular account to cover the payment.

(6) Any mortgagee intentionally violating the provisions of this subdivision shall be fined not more than \$100 for each offense.

Subd. 9. Notwithstanding any other law, the provisions of Laws 1976, Chapter 300 may not be waived by any oral or written agreement executed by any person.

[1935 c 49 s 1; 1937 c 88 s 1; 1969 c 579 s 1; 1976 c 196 s 1; 1976 c 300 s 2] (7658-3)

47.21 LAWS PRESCRIBING TYPE OF SECURITY NOT TO APPLY. No other law in this state prescribing the nature, amount or form of security or requiring security upon which loans or advances of credit may be made, or prescribing or limiting interest rates upon loans or advances of credit, or prescribing or limiting the period for which loans or advances of credit may be made, shall be deemed to apply to loans, advances of credit or purchases made pursuant to section 47.20, subdivisions 1, 3 and 4.

(1) Such institutions may invest in notes or bonds secured by mortgage or trust deed insured pursuant to section 47.20, subdivision 1, clause (2), and in securities issued by national mortgage associations;

(2) The notes, bonds and other securities herein made eligible for investment may be used wherever, by statute, collateral is required as security for the deposit of public or other funds; or deposits are required to be made with any public official or department; or an investment of capital or surplus, or a reserve or other fund, is required to be maintained consisting of designated securities.

[1935 c 49 s 2; 1937 c 88 s 2; 1976 c 300 s 3] (7658-4)

47.23 SAVINGS DEPARTMENTS. Subdivision 1. Except as specifically authorized by other laws of this state, no individual, partnership, unincorporated association, or corporation, other than a savings bank, safe deposit company, or trust company, holding an effective certificate of authority or license issued by the commissioner of banks and subject to and complying with all of the provisions of law relating to such savings banks, safe deposit companies, and trust companies, respectively, shall in any manner display or make use of any sign, symbol, token, letterhead, card, circular, or advertisement stating, representing, or indicating that he, it, or they, are authorized to transact the business which a savings bank, safe deposit company, or trust company usually does, or under these provisions is authorized to do; nor shall any such individual, partnership, unincorporated association, or corporation use the words "savings" or "trust" or "safe deposit" alone or in combination in title or name or otherwise, or in any manner solicit business or make loans or solicit or receive deposits or transact business as a savings bank, safe deposit company, or trust company; except that a state bank, or trust company, regularly incorporated and authorized to do business under the laws of this state, may establish and maintain a savings department under the supervision of the commissioner of banks, and may solicit and receive deposits in this savings department and advertise the same as such, and every such trust company having a savings department shall use in its name or title, in addition to the word "trust", the word "savings". Savings deposits received by such a trust company shall be invested only in authorized securities, as defined by law, and the trust company shall keep on hand, at all times, such securities in an amount at least equal to the amount of the deposits, and these securities shall be the representative of, and the fund for, applicable first and exclusively to the payments of, the savings deposits. Deposits received by the trust company subject to its right to require notice of withdrawal evidenced by passbooks or by written receipt or agreement shall be deemed savings deposits.

Subd. 2. Any old line life insurance company which does not in any manner display or make use of any sign, symbol, token, letterhead, card, circular, or advertisement representing or indicating that it is authorized to transact any business which a

savings bank, safe deposit company, or trust company usually does and which does not attempt to do any such business; and which uses the word "trust" in its name in combination with other words in such a manner that it is apparent that the company is not either a savings bank, safe deposit company, or trust company, and does not attempt to do any of the business which a savings bank, safe deposit company, or trust company usually does, shall not be prohibited from so using such word "trust" in its name.

Subd. 3. Every individual, partnership, unincorporated association, or corporation which shall violate any of the provisions of this section shall forfeit to the state the sum of not to exceed \$100 for each day the violation shall continue, to be recovered in a civil action to be brought by the attorney general in the name of the state at the request of the commissioner of banks, and may be enjoined from any further violation in an action brought in the name of the state for that purpose.

[*RL s 2978; 1909 c 178 s 1; 1915 c 236 s 1; 1929 c 77 s 1; 1945 c 133 s 2; 1961 c 298 s 1*] (7651)

47.24 FAILURE TO REPORT; FORFEITURES. Every corporation which shall fail to make and transmit to the commissioner of banks, within ten days after the time prescribed by law therefor, any report required by the provisions of this chapter, or by other lawful authority, or shall fail to include therein any matter required by the commissioner of banks, shall forfeit to the state the sum of \$100 for every day that the report is withheld or delayed or that it shall fail to report any such omitted matter.

[*RL s 2979*] (7652)

47.25 NOTICE OF MEETINGS. At least 30 days prior to any annual, and at least ten days prior to any special, meeting of its stockholders, mailed notice shall be given to each stockholder, specifying the time, place, and purpose thereof; also a notice of any resolution or proposition on which action is proposed to be taken.

[*RL s 2980*] (7653)

47.26 VIOLATIONS. Every officer, agent, or employee of any corporation or copartnership, and every other individual, who shall knowingly and wilfully do or omit anything, the doing or omission of which on the part of any corporation, copartnership, or individual is in violation of any of the provisions of this chapter and who continues or repeats such act or omission for or during more than ten successive days, shall be guilty of a felony.

[*RL s 2981*] (7654)

47.27 DEFINITIONS. Subdivision 1. Unless the language or context clearly indicates that a different meaning is intended, the words, terms, and phrases defined in subdivisions 2, 3 and 4, shall, for the purposes of sections 47.27 to 47.32, be given the meanings subjoined to them.

Subd. 2. "Savings bank" shall have the meaning set forth in sections 47.01 and 47.02 and shall also mean a mutual savings bank.

Subd. 3. "Savings, building and loan association" shall have the meaning set forth in section 51.01, subdivision 2.

Subd. 4. "Federal savings and loan association" means an association organized under that certain act of Congress known as The Home Owners Loan Act of 1933, and acts amendatory thereof.

[*1949 c 337 s 1*]

47.28 SAVINGS BANKS MAY CONVERT INTO SAVINGS, BUILDING AND LOAN ASSOCIATIONS. Subdivision 1. Any savings bank organized and existing under and by virtue of the law of this state may amend its articles of incorporation so as to convert itself into a savings, building and loan association, by complying with the following requirements and procedure:

The savings bank by a two-thirds vote of the entire board of trustees, at any regular or special meeting of said board duly called for that purpose, shall (a) pass a resolution declaring their intention to convert the savings bank into a savings, building and loan association, and (b) cause an application in writing to be executed, by such persons as the trustees may direct, in the form prescribed by the department of commerce, requesting a certificate of authorization (charter) as a savings, building and

loan association to transact business at the place and in the name stated in the application. The amendments proposed to the articles of incorporation and bylaws shall be included as part of the application.

The application shall be submitted to, considered and acted upon by the department of commerce in the same manner and by the same standards as applications are submitted, considered and acted upon under section 51.08.

Subd. 2. If the certificate of authorization (charter) be issued, the articles of incorporation may then be amended so as to convert the savings bank into a savings, building and loan association by following the procedure prescribed for amending articles of incorporation of savings banks; provided, that before any such conversion shall take place the secretary of the savings bank shall cause 30 days written notice of such intended conversion (which notice, before mailing, shall be submitted to and approved by the commissioner of banks) to be mailed prepaid to each depositor, at his last known address according to the records of the bank, and after such notice each depositor may, prior to the time the conversion becomes final and complete, on demand and without prior notice, withdraw the full amount of his deposit or such part thereof as he may request, and upon such withdrawal he shall receive interest to the date of withdrawal at the same rate last paid or credited by the bank, notwithstanding the provisions of any law, bylaw, rule or regulation to the contrary.

Subd. 3. At any time after the expiration of the 30 day period specified in subdivision 2, (which fact shall be evidenced by the secretary of the savings bank filing an affidavit to that effect with the commissioner of banks and the secretary of state,) upon receipt of the fees required for filing and recording amended articles of incorporation of savings banks, the secretary of state shall record the amended articles of incorporation and certify that fact thereon, whereupon the conversion of such savings bank into a savings, building and loan association shall become final and complete and thereafter said corporation shall have the powers and be subject to the duties and obligations prescribed by the laws of this state applicable to savings, building and loan associations.

Subd. 4. When the conversion of any savings bank into a savings, building and loan association becomes final and complete, the surplus fund of the bank shall become the contingent or reserve fund of the association and every person who was a depositor of the savings bank at the time of the conversion shall cease to be a depositor and shall thereafter be a shareholder of the savings, building and loan association and be credited with payments on his share account equal to the full amount of his deposit with the savings bank at the time of conversion, plus interest to the date of conversion at the same rate last paid or credited by the bank, notwithstanding the provisions of any law, bylaw, rule or regulation to the contrary.

Subd. 5. The resulting association shall as soon as practicable and within such time not extending beyond three years from the date the conversion becomes final and complete and by such methods as the department of commerce shall direct, cause its organization, its securities and investments, the character of its business, and the methods of transacting the same to conform to the laws applicable to savings, building and loan associations.

[1949 c 337 s 2]

47.29 SAVINGS BANKS MAY CONVERT INTO FEDERAL SAVINGS AND LOAN ASSOCIATIONS. Subdivision 1. Any savings bank organized and existing under and by virtue of the laws of this state, is hereby authorized and empowered, by a two-thirds vote of the entire board of trustees, at any regular or special meeting of said board duly called for that purpose to convert itself into federal savings and loan association whenever said conversion is authorized by any act of the Congress of the United States: Provided, that before any such conversion shall become final and complete, (a) the secretary of the savings bank shall cause 30 days written notice of such intended conversion (which notice, before mailing, shall be submitted to and approved by the commissioner of banks) to be mailed prepaid to each depositor, at their last known address, according to the records of the bank, and after such notice each depositor may, prior to the time the conversion becomes final and complete, on demand and without prior notice, withdraw the full amount of his deposit or such part thereof as he may request, and upon such withdrawal he shall receive interest to the date of withdrawal at the same rate last paid or credited by the bank, notwithstanding the provisions of any law, bylaws, rule or regulation to the contrary, and (b) that such conversion be approved in writing by the commissioner of banks.

Subd. 2. At any time after the expiration of the 30 day period specified in subdivision 1, clause (a), (which fact shall be evidenced by the secretary of the savings bank filing an affidavit to that effect with the commissioner of banks and the secretary of state of this state), upon filing a copy of the federal charter, certified by the issuing federal agency with the secretary of state of this state, the secretary of state shall record said charter and certify that fact thereon, whereupon the conversion shall be final and complete and the savings bank shall at that time cease to be a savings bank supervised by this state, and shall thereafter be a federal savings and loan association.

[1949 c 337 s 3]

47.30 SAVINGS, BUILDING AND LOAN ASSOCIATION MAY CONVERT INTO SAVINGS BANK. Subdivision 1. Any savings, building and loan association organized and existing under and by virtue of the laws of this state may amend its articles of incorporation so as to convert itself into a savings bank, by complying with the following requirements and procedure:

A meeting of the shareholders shall be held upon not less than 15 days written notice to each shareholder, served either personally or by mail prepaid, directed to him at his last known post office address according to the records of the association, stating the time, place and purpose of such meeting.

At such meeting, the shareholders may by two-thirds vote (according to the book value of said shares) of those present in person or by proxy pass a resolution declaring their intention to convert such association into a savings bank and setting forth the names of the proposed first board of trustees. A copy of the minutes of such meeting verified by the affidavit of the chairman and the secretary of the meeting, shall be filed in the office of the department of commerce and with the secretary of state within ten days after the meeting. Such copy, when so filed, shall be evidence of the holding of such meeting and of the action taken.

Subd. 2. An application for a certificate authorizing a savings bank to transact business, in the form required by sections 45.04 and 45.08, shall be submitted to, considered and acted upon by the department of commerce in the same manner and by the same standards as applications are submitted, considered and acted upon under sections 45.04, 45.07, 45.08, 50.01 and 50.02. The fees required by section 45.04 shall be paid and the amendments proposed to the articles of incorporation and bylaws shall be included as part of the application.

Subd. 3. If the department of commerce grants the application, the certificate of authorization (charter) shall be issued as provided by section 45.04, and the articles of incorporation may then be amended so as to convert the savings, building and loan association into a savings bank by following the procedure prescribed for amending articles of incorporation of savings, building and loan associations: Provided, that the proposed amended articles shall contain the names of, and be signed by, the proposed first board of trustees.

Subd. 4. Before any such conversion shall take place, a period of 30 days shall elapse from the date of the adoption by the shareholders of the resolution amending the articles of incorporation during which period of time each shareholder of the association may, on demand and without prior notice, tender his unpledged shares for repurchase by the association and thereupon be entitled to receive the full withdrawal value of his share account, or such part thereof as he may request, plus dividends to date of payment at the same rate last paid or credited by the association, notwithstanding the provisions of any law, bylaw, rule or regulation to the contrary.

Subd. 5. At any time after the expiration of the 30 day period specified in subdivision 4, (which fact shall be evidenced by the secretary of the association filing an affidavit to that effect with the commissioner of banks and the secretary of state), upon receipt of the fees required for filing and recording amended articles of incorporation of savings, building and loan associations, the secretary of state shall record the amended articles of incorporation and certify that fact thereon, whereupon the conversion of such savings, building and loan association into a savings bank shall become final and complete and thereafter the signers of said amended articles and their successors shall be a corporation, and have the powers and be subject to the duties and obligations prescribed by the laws of this state applicable to savings banks.

Subd. 6. When the conversion of any savings, building and loan association becomes final and complete the contingent or reserve fund of the association shall be-

come the surplus fund of the bank and every person who was a shareholder of the association at the time of the conversion shall cease to be a shareholder and shall thereafter be a depositor of the bank and be credited with deposits in his account equal to the full withdrawal value of his share account plus dividends to the date of conversion at the same rate last paid or credited by the association, notwithstanding the provisions of any law, bylaw, rule or regulation to the contrary.

Subd. 7. The resulting savings bank shall as soon as practicable and within such time not extending beyond three years from the date the conversion becomes final and complete and by such methods as the commissioner of banks shall direct, cause its organization, its securities and investments, the character of its business, and the methods of transacting the same to conform to the laws applicable to savings banks.

[1949 c 337 s 4]

47.31 FEDERAL SAVINGS AND LOAN ASSOCIATION MAY CONVERT INTO SAVINGS BANK. When authorized by act of the Congress of the United States, any federal savings and loan association with its principal place of business in this state may convert itself into a savings bank pursuant to the laws of this state: Provided, (a) that the association complies with all requirements imposed for such conversion under the laws of the United States; (b) that the association complies with the requirements and procedure set forth in section 47.30, except that the procedure for obtaining original articles of incorporation of a savings bank shall be followed in lieu of the procedure for amending articles of incorporation and the 30 day period specified in section 47.30, subdivisions 4 and 5, shall begin on the day the organization meeting is held pursuant to section 300.025; and (c) that the commissioner of banks approves such conversion in writing.

[1949 c 337 s 5]

47.32 CONVERTING INSTITUTION DEEMED CONTINUANCE; TRANSFER OF PROPERTY AND RIGHTS. Upon the conversion of any savings bank into a savings, building and loan association or into a federal savings and loan association, and of a savings, building and loan association or federal savings and loan association into a savings bank, the corporate existence of the converting savings bank or association shall not terminate, and the resulting association or savings bank shall be a continuance of the converting savings bank or association; and all the property of the converting savings bank or association (including its rights) shall by operation of law vest in the resulting association or savings bank as of the time when the conversion becomes final and complete, and all of the obligations of the converting savings bank or association become those of the resulting association or savings bank. Actions and other judicial proceedings to which the converting savings bank or association is a party may be prosecuted and defended as if the conversion had not been made.

[1949 c 337 s 6]

47.41 NEGOTIABLE INSTRUMENTS, FACSIMILE SIGNATURES, DISBURSEMENT OF PUBLIC FUNDS. Any public officer or other person who is authorized singly or in conjunction with another or others, to sign checks, drafts, warrants, warrant-checks, vouchers or other orders on public funds on deposit in a depository bank may authorize the bank to honor any such instrument bearing a facsimile of his signature and to charge the same to the account upon which drawn, as fully as though it bore his manually written signature. Instruments so honored shall be wholly operative and binding in favor of the bank although such facsimile signature shall have been affixed without authority of such officer or other person. Any one or more or all of the signatures upon any such instrument may be facsimile as herein provided. As here used "public funds" means funds of the state or of any county, city, town, school district, any political subdivision of the state, or of any commission, board, department or agency of any thereof.

[1955 c 96 s 1; 1973 c 123 art 5 s 7]

47.42 FACSIMILE SIGNATURES, OFFICER NOT LIABLE. If the governing body of the depositor political subdivision, or of any commission, board, department or agency thereof, by resolution approves the action of the public officer or other person in the use of such facsimile, and shall have insured the depositor with an insurance company authorized to do business in this state, in such amount and form as the governing body approves, against loss of any public funds withdrawn upon unauthorized use of such facsimile signature, such public officer or other person shall not be

personally liable for loss, if any, resulting from the use of any such facsimile signature unless the loss occurs by reason of his own wrongful act.

[1955 c 96 s 2]

47.51 DETACHED BANKING FACILITIES; DEFINITIONS. As used in sections 47.51 to 47.57:

“Attached facility” means a structure serving as a drive-in or walk-up facility, or both, consisting of one or more tellers windows, which is affixed to and is an integral part of the main banking house and not severable therefrom without structural damage or changes, and which performs one or more of the functions described in section 47.53.

“Detached facility” means a structure or remotely controlled stationary mechanical device serving as a drive-in or walk-up facility, or both, located separate and apart from the main banking house, containing one or more tellers windows which is not an “attached facility” as above defined, and performing one or more of those functions described in section 47.53.

“Bank” means a bank as defined in section 45.08 and any banking office established prior to the effective date of Laws 1923, Chapter 170, Section 1.

“Commissioner” means the commissioner of banks.

[1971 c 855 s 1]

47.52 AUTHORIZATION. With the prior approval of the commissioner, any bank doing business in this state may establish and maintain not more than one detached facility consisting of one or more tellers windows. The distance of the facility from the main banking house shall not exceed 3,000 feet measured in a straight line from the closest points of the closest structures involved. The facility shall not be closer than 50 feet to a facility operated by any other bank nor closer than 100 feet to the main banking house of any other bank, the measurement to be made in the same manner as provided above. The preceding sentence shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

[1971 c 855 s 2; 1974 c 221 s 1]

47.53 FUNCTIONS OF A FACILITY. The function of the detached facility shall be limited to receiving deposits of every kind, cashing checks or orders to pay and receiving payments payable at the bank.

[1971 c 855 s 3]

47.54 NOTICES AND APPROVAL PROCEDURES. Subdivision 1. Any bank desiring to establish a detached facility shall execute and acknowledge an application, in writing, in the form prescribed by the commissioner, and shall file the same in his office, together with a filing fee of \$50, and in the case an application is contested, an additional fee of \$450, payable to the state treasurer and credited by the treasurer to the general fund. Thereupon the applicant shall publish a notice of the filing of the application in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there be no such newspaper, then at the county seat of the county in which the facility is proposed to be located. The notice shall be in the form prescribed by the commissioner and, in addition to such publication, the applicant shall mail a copy of said notice by certified mail to every bank located within three miles of the main banking house of the applicant, measured in the manner as provided above.

Subd. 2. If no objection is received by the commissioner within 30 days after the publication and mailing of said notices, the commissioner, after investigation may issue his order approving or denying the application, without a hearing.

Subd. 3. If any bank within said three miles of the main banking house of the applicant objects in writing within said 30 days, the commissioner shall fix a time, within 60 days after filing of the objection, for a hearing at his office at the state capitol, and the record of such hearing shall be considered by the commissioner in deciding whether or not the application shall be granted. A notice of the hearing shall be published in the form prescribed by the commissioner in a newspaper as described in subdivision 1, at the expense of the applicant, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and

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hear the applicant and such witnesses as may appear in favor of or against the granting of the application.

Subd. 4. If, upon the hearing, it shall appear to the commissioner that the application should be granted, he shall, not later than 90 days after the hearing, and after the applicant has otherwise complied with the provisions of law applicable to the establishment of a facility, including the provisions herein contained, issue the certificate of authorization. If a facility is not activated within 12 months from the date of issue of the certificate, the certificate shall automatically expire. If the commissioner shall decide that the application should not be granted, he shall issue his order to that effect and forthwith give notice by certified mail to the applicant.

[1971 c 855 s 4]

47.55 EXISTING FACILITY. A bank may retain and operate one detached facility as it may have had in operation prior to May 1, 1971 without requirement of approval hereunder, provided that its function is limited as provided in section 47.53 and its location conforms with the provisions of section 47.52. A bank having such a retained facility shall be limited to operating that one detached facility.

[1971 c 855 s 5]

47.56 TRANSFER OF LOCATION. The location of a detached facility may be transferred to another location, subject to the same procedures and approval as required hereunder for establishing a new detached facility.

[1971 c 855 s 6]

47.57 VIOLATION; PENALTIES. A violation of sections 47.51 to 47.57 shall be subject to penalties applicable to violations of laws affecting banks. In addition, a violation of sections 47.51 to 47.57 may be enjoined by a civil action for injunction by any aggrieved bank.

[1971 c 855 s 7]