

## CHAPTER 51A

### SAVINGS ASSOCIATIONS

<p>51A.02 Definitions.  51A.19 Records.  51A.21 Powers of association.  51A.23 Savings account.  51A.385 Repealed.  51A.386 Terms and conditions of loans,  contracts, and extensions of credit.</p>	<p>51A.50 Federal associations.  51A.53 Powers of federal associations;  approval.  51A.58 Interstate branching.</p>
--	--

#### 51A.02 DEFINITIONS.

*[For text of subs 1 to 5, see M.S.1994]*

**Subd. 6. Annual percentage rate.** "Annual percentage rate" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, but using the definition of "finance charge" used in this section.

**Subd. 7. Association.** "Association" means a mutual or capital stock savings association or savings association chartered under the provisions of sections 51A.01 to 51A.57.

*[For text of subs 8 to 25, see M.S.1994]*

**Subd. 26. Finance charge.** "Finance charge" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of default or delinquency under section 47.59 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge for an extension or deferment under section 47.59, unless the parties agree that these charges are finance charges;

(2) any additional charge under section 47.59, subdivision 6; or

(3) a discount, if an association purchases a contract evidencing a credit sale or loan at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation.

*[For text of subs 27 to 39, see M.S.1994]*

**Subd. 40. Official fees.** "Official fees" means:

(1) fees and charges which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest or mortgage related to a loan or credit sale, and any separate fees or charges that actually are or will be paid to public officials for recording a notice described in section 580.032, subdivision 1; and

(2) premiums payable for insurance in lieu of perfecting a security interest or mortgage otherwise required by an association in connection with a loan or credit sale, if the premium does not exceed the fees and charges described in clause (1) which would otherwise be payable.

*[For text of subs 41 to 53, see M.S.1994]*

**Subd. 54. Thrift institution.** "Thrift institution" means an association, a mutual savings bank, a cooperative bank, a homestead association, a savings association, a federal association, and a supervised thrift and residential financing institution of a substantially similar nature.

*[For text of subs 55 and 56, see M.S.1994]*

**History:** 1995 c 171 s 61-63; 1995 c 202 art 1 s 25; art 3 s 4-6

#### 51A.19 RECORDS.

*[For text of subs 1 to 8, see M.S.1994]*

**Subd. 9. Maintenance of loan and investment records.** Every association shall maintain complete loan and investment records, and shall do so in a manner satisfactory to the commissioner. Detailed records necessary to make determinations of compliance by an association with the requirements of sections 47.59 and 51A.35 to 51A.386, and other provisions of sections 51A.01 to 51A.57 shall be maintained consistently and at all times, the record of each real estate loan or other secured loan or investment containing documentation to the satisfaction of the commissioner of the type, adequacy, and complexion of the security.

*[For text of subds 10 to 13, see M.S.1994]*

**History:** 1995 c 202 art 3 s 7

#### 51A.21 POWERS OF ASSOCIATION.

*[For text of subds 1 to 27, see M.S.1994]*

**Subd. 28. Service charges.** To contract with depositors for service charges in connection with the opening and maintaining of deposit accounts and for providing services ancillary to the opening and maintaining of deposit accounts. Service charges are a matter of contract between the association and the depositor, and any such contract is fully enforceable according to its stated terms.

**History:** 1995 c 171 s 64

#### 51A.23 SAVINGS ACCOUNT.

**Subdivision 1. Ownership.** Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a savings association. Deposit accounts shall be represented only by the account of each deposit account holder on the books of the association, and the accounts or any interest therein shall be transferable only on the books of the association and upon proper written application by the transferee. The association may treat the holder of record of a savings account as the owner of it for all purposes without being affected by any notice to the contrary unless the association has acknowledged in writing notice of a pledge of the deposit account. Notwithstanding the foregoing, an association or federal association may offer negotiable time deposits.

An association may issue deposit accounts to or in the name of a minor, which shall be held for the exclusive right and benefit of the minor, free from the control or lien of all other persons, except creditors, and, together with dividends thereon, shall be paid to the minor, and receipt or acquittance in any form, shall be sufficient release and discharge of the association for withdrawal, until a guardian appointed in this state for the minor shall have delivered a certificate of appointment.

*[For text of subd 6, see M.S.1994]*

**Subd. 7. Insurance of accounts in new associations.** No association shall be issued a certificate of approval by the commissioner of commerce after April 10, 1976, unless such association has obtained a commitment for insurance of its deposits by the federal savings and loan insurance corporation or any agency of this state or any federal agency established for the purpose of insuring savings accounts in associations.

**History:** 1995 c 202 art 1 s 25

**51A.385** [Repealed, 1995 c 202 art 3 s 22]

#### 51A.386 TERMS AND CONDITIONS OF LOANS, CONTRACTS, AND EXTENSIONS OF CREDIT.

**Subdivision 1. Application.** Except as otherwise provided in this section, this section applies to loans made and contracts purchased by federal and state associations, and "association" as used in this section applies to federal and state associations.

**Subd. 2. Finance charge for credit sales made by a third party.** A person may enter into a credit sale contract for sale to an association and an association may purchase and enforce a contract evidencing the sale, if the annual percentage rate provided for in the contract

does not exceed that permitted in section 47.59 or, in the case of contracts governed by sections 168.66 to 168.77, the rates permitted by those sections.

**Subd. 3. Finance charge for loans.** An association may make loans and extend credit at the rates and on the terms provided for in section 47.59.

**Subd. 4. Additional authority.** Extensions of credit, and purchases of extensions of credit, authorized by sections 47.20, subdivision 1, 3, or 4a; 47.204; 47.21; 47.58; 47.60; 47.69; 48.153; 48.185; 48.195; 59A.01 to 59A.15; 168.66 to 168.77; 334.01; 334.011; and 334.012 may, but need not, be made according to those sections in lieu of the authority set forth in subdivisions 1 to 3, and if so, are subject to those sections, and not this section, except this subdivision. An association may also charge an organization a rate of interest and any charges agreed to by the organization and may calculate and collect finance and other charges in any manner agreed to by that organization. Except for extensions of credit the association elects to make under section 334.01, 334.011, or 334.012, chapter 334 does not apply to extensions of credit made according to this section or the sections mentioned in this subdivision.

**Subd. 5. Additional charges.** In addition to the finance charges permitted by this section, an association, or a person described in subdivision 2, to the extent not otherwise prohibited by law, may contract for and receive the additional charges that may be included in the amount financed provided for in section 47.59.

**History:** 1995 c 202 art 3 s 8

#### **51A.50 FEDERAL ASSOCIATIONS.**

The following sections apply to federal associations, except to the extent they are inconsistent with federal law or regulations: sections 47.59; 51A.01; 51A.02; 51A.065; 51A.15, subdivision 6; 51A.21, subdivisions 6a, 15, 16, 22, 25, 27, and 28; 51A.23, subdivision 1; 51A.24; 51A.251; 51A.261; 51A.262; 51A.27; 51A.28; 51A.29; 51A.30; 51A.31; 51A.37, subdivisions 1, 2, 3, paragraphs (a), (c), (d), 4, 5, 6, 7, 8, 9, 10, 11, and 12; 51A.38; 51A.386; 51A.40; 51A.50; 51A.52; 51A.56; and 51A.57.

**History:** 1995 c 202 art 3 s 9

#### **51A.53 POWERS OF FEDERAL ASSOCIATIONS; APPROVAL.**

Subject to the approval of the commissioner, any savings association organized under sections 51A.01 to 51A.58 is vested with all powers conferred upon a federal association organized under the laws and regulations of the United States or its agencies, as amended, as fully and completely as if the powers were specifically enumerated and described herein, provided that the same are not specifically prohibited by state law.

**History:** 1995 c 202 art 1 s 25

#### **51A.58 INTERSTATE BRANCHING.**

An association, whether or not the subsidiary of a savings and loan holding company, may, by acquisition, merger, purchase and assumption of some or all of the assets and liabilities, or consolidation, establish or operate branch offices in any reciprocating state, and a savings association chartered in any reciprocating state may establish or operate branch offices in this state by acquisition, merger, purchase, and assumption of some or all of the assets or liabilities or consolidation. A savings and loan holding company with its headquarters in this state may acquire by direct or indirect ownership or control the voting shares of a savings and loan holding company, savings association, or savings bank located in any reciprocating state, and a savings and loan holding company with its headquarters in a reciprocating state, may acquire by direct or indirect ownership or control the voting shares of a savings and loan holding company, a savings association, or savings bank located in this state, and may acquire and merge with a savings and loan holding company with its headquarters in this state. For the purposes of this section, "reciprocating state" is a state that authorizes the establishment of branch offices in that state by an association located in this state, and the acquisition of savings associations and savings banks located in that state by a savings and loan holding company with its headquarters in this state, under conditions no more restrictive than those imposed by the laws of Minnesota as determined by the commissioner of commerce.

The commissioner of commerce shall adopt rules to provide that procedural requirements equivalent to those contained in sections 48.90 to 48.99 apply to reciprocal interstate branching and acquisitions by savings associations.

**History:** *1995 c 202 art 1 s 14,25*