

CHAPTER 53

INDUSTRIAL LOAN AND THRIFT COMPANIES

53.015 Definitions.
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53.09 Examinations, thrift companies,
compliance only.

53.015 DEFINITIONS.

[For text of subs 1 to 3, see M.S.1994]

Subd. 4. Capital stock. "Capital stock" means the par value of preferred or common stock multiplied by the respective number of shares of each type of stock. For purposes of section 53.05, clause (7), capital stock may include an amount of mandatory convertible debentures approved by the commissioner. The terms and conditions for redemption of the qualifying debentures must include the prior written approval of the commissioner as a condition for a redemption, but in no event an amount in excess of 50 percent of total preferred or common stock.

History: 1995 c 202 art 2 s 21

53.04 SPECIAL POWERS.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted in section 47.59. Loans made under this authority must be in amounts in compliance with section 53.05, clause (7). The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334. The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this subdivision at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this subdivision that is secured by real estate and that is in a principal amount of \$12,000 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision.

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

[For text of subd 3b, see M.S.1994]

Subd. 3c. The right to extend credit and make loans under sections 47.59 and 47.60 on the same terms and subject to the same conditions as apply to other lenders under those sections. This subdivision does not authorize an industrial loan and thrift company to make loans under an overdraft checking plan.

Subd. 4a. Disclosure, authorized interest, and other charges. The documentation of loans made pursuant to this section must include in the promissory note clear reference to the provisions of Minnesota Statutes under which the rate of interest and other charges are authorized. The references must be to the particular section or sections.

[For text of subd 5, see M.S.1994]

Subd. 5a. A person may enter into a credit sale or service contract for sale to an industrial loan and thrift company operating under this chapter in this state, and an industrial loan and thrift company may purchase and enforce the contract under the terms and conditions set forth in section 47.59, subdivisions 2 and 4 to 14.

History: 1995 c 202 art 1 s 15; art 3 s 11-14

53.09 EXAMINATIONS, THRIFT COMPANIES, COMPLIANCE ONLY.

Subdivision 1. Frequency and expense. The commissioner shall make examinations for the purposes set forth in section 46.04, subdivision 1, at least once every 18 calendar months, of each authorized place of business of every industrial loan and thrift company with the right to issue thrift certificates for investment organized or operating under this chapter to satisfy the commissioner that the corporation is in a solvent condition and is complying with the requirements of this chapter and operating according to sound business principles. In order to enforce actions in this connection, the commissioner is hereby vested with the same authority as in the examination and regulation of state banks. The corporation so examined shall pay to the commissioner such fees as may be required under section 46.131. The commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Subd. 2. Report to commissioner. (1) Each industrial loan and thrift company shall annually on or before the first day of March file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. This report shall be made under oath in the form prescribed by the commissioner.

(2) Each industrial loan and thrift company which holds authority to accept accounts pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1) submit the reports and make the publication required of state banks pursuant to section 48.48.

(3) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Subd. 2a. Compliance examinations. For the purpose of discovering violations of this chapter or securing information lawfully required by the commissioner under this chapter, the commissioner may, at any time, either personally or by a person or persons duly designated, investigate the loans and business, and examine the books, accounts, records, and files used in the business, of every licensee and of every person engaged in the business whether or not the person acts or claims to act as principal or agent, or under the authority of this chapter. For the purposes of this subdivision, the commissioner and duly designated representatives have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all these persons. The commissioner and all persons duly designated may require the attendance of and examine, under oath, all persons whose testimony the commissioner may require relative to the loans or business or to the subject matter of an examination, investigation, or hearing.

Each licensee shall pay to the commissioner the amount required under section 46.131, and the commissioner may maintain an action for the recovery of the costs in a court of competent jurisdiction.

[For text of subds 3 and 4, see M.S.1994]

History: 1995 c 202 art 1 s 16-18