

**Building and Loan Associations—Dairy Loan Associations—
Banks and Banking—Liquidation.**

A mutual dairy loan association is subject to the provisions of chapter 90, laws of 1923, relative to the method of liquidation.

Jay G. Larson, Esq.,
Superintendent of Banks,
Helena, Montana.

August 27, 1926.

My dear Mr. Larson :

You have requested my opinion whether the Montana Mutual Dairy Loan Association of Missoula, Montana, which desires to liquidate, must do so as a building and loan association, bank, or general corporation.

The status of a dairy loan association is defined by chapter 111, laws of 1923, as follows :

“All corporations organized within the state of Montana for the purpose of raising money to be loaned among their members and adopting a form of operation similar to that of building and loan associations; whether they be known as livestock or dairy loan associations or by other name, are hereby declared to be building and loan associations and shall be under the supervision of the state bank examiner and shall be conducted under and in accordance with, and be subject to the provisions of the building and loan association laws of the state insofar as applicable, except as further provided in this act.”

Chapter 104, laws of 1925, requires that a building and loan association be conducted under the banking laws insofar as applicable. It provides :

“A corporation for the purpose of raising money to be loaned among its members shall be known in this act as a building and loan association, and shall be under the supervision of the state examiner and ex-officio superintendent of banks whose duty it shall be to enforce all laws with respect thereto; such associations shall be organized under the laws of this state relating to corporations, and shall be conducted under the banking laws of Montana, so far as applicable, except as otherwise provided in this act.”

Hence, the legislature, though in general and somewhat indefinite terms, has combined the three organizations—dairy loan associations, building and loan associations, and banks—so far as their conduct is concerned, and has required that each of them be conducted under the banking laws, so far as applicable.

The legislature has made provision for the voluntary liquidation of banks. (Chapter 90, laws 1923.)

It is, therefore, my opinion that the provisions of chapter 90, laws of 1923, relating to the liquidation of a bank apply also to a building and loan association and to a dairy loan association.

Very truly yours,

L. A. FOOT,

Attorney General.