

Opinion No. 39.**Banks and Banking—Loan Limitations
—Superintendent of Banks.**

Held: Loans by banks shall not—after July 1, 1943, the effective date of Chapter 71, Laws of 1943—be subject to any limitation based upon the amount of their unimpaired capital and surplus to the extent such loans are secured or covered by guaranties or by commitments or agreements to take over or to purchase them made by any federal reserve bank or by the United States or any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States.

April 8, 1943.

Mr. W. A. Brown
Superintendent of Banks
State Capitol
Helena, Montana

Dear Mr. Brown:

While the Twenty-eighth Legislative Assembly was in session, you forwarded to this office a letter directed to you by the Reconstruction Finance Corporation, Washington, D. C., wherein that agency inquired in part:

“In connection with our program, it is important that we know the extent to which your banks are relieved from the limitation against lending to any individual borrower by the banks obtaining from RFC its agreement to purchase participations in loans.”

I delayed replying to your letter until the Twenty-eighth Legislative Assembly passed upon Senate Bill No. 53. Senate Bill 53 is now Chapter 71, Laws of 1943, and amends Section 6014.48, Revised Codes of Montana, 1935, relating to the limitations on loans by banks to any one person, co-partnership or corporation.

Chapter 71, Laws of 1943, effective July 1, 1943, retains the provisions of Section 6014.48 to the effect the total loans to any person, co-partnership or corporation by any bank shall at no time exceed twenty per centum (20%) of the amount of the unimpaired capital and surplus of such bank. The new, amendatory matter contained in the chapter is as follows:

“ . . . Loans or obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that they are secured or covered by guaranties, or by commitments or agreements to take over or to purchase the same, made by any federal reserve bank or by the United States or any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States.”

The legislative intention is plain, certain and unambiguous. No construction of such legislation is necessary.

It is therefore my opinion loans by banks shall not—after July 1, 1943, the effective date of Chapter 71, Laws of 1943—be subject to any limitation based upon the amount of their unimpaired capital and surplus to the extent such loans are secured or covered by guaranties or by commitments or agreements to take over or to purchase them made by any federal reserve bank or by the United States or any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States.

Sincerely yours,
R. V. BOTTOMLY
Attorney General