

CHAPTER, NO. 154

SENATE BILL NO. 255

INTRODUCED BY THIESSEN, KVAALEN

IN THE SENATE

January 25, 1979	Introduced and referred to Committee on Business and Industry.
February 14, 1979	Committee recommend bill do pass. Report adopted.
February 15, 1979	Printed and placed on members' desks.
February 16, 1979	Second reading, do pass.
February 17, 1979	Considered correctly engrossed.
February 19, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 20, 1979	Introduced and referred to Committee on Business and Industry.
March 2, 1979	Committee recommend bill be concurred in. Report adopted.
March 5, 1979	Second reading, concurred in.
March 7, 1979	Third reading, concurred in.

IN THE SENATE

March 8, 1979	Returned from second house. Concurred in. Sent to enrolling.  Reported correctly enrolled.
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1 *Legis* BILL NO. *255*  
 2 INTRODUCED BY *Theresa Krauter*

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE  
 5 LIMITATIONS ON INVESTMENTS BY BUILDING AND LOAN AND SAVINGS  
 6 AND LOAN ASSOCIATIONS AND TO DELETE THE PROVISION THAT ONLY  
 7 THOSE ASSOCIATIONS INSURED BY THE FEDERAL SAVINGS AND LOAN  
 8 INSURANCE CORPORATION MAY MAKE REAL ESTATE LOANS ON CERTAIN  
 9 TERMS AND CONDITIONS; AMENDING SECTIONS 32-2-406 AND  
 10 32-2-407, MCA."

11  
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 32-2-406, MCA, is amended to read:

14 "32-2-406. Investments. (1) A building and loan  
 15 association may invest the money of the association in:

16 (a) the bonds and securities of the United States,  
 17 bonds and other obligations guaranteed as to interest and  
 18 principal by the United States, and the stocks, bonds,  
 19 debentures, and other securities and obligations of any  
 20 federal home loan bank created under the laws of the United  
 21 States;

22 (b) the bonds and warrants of any state and of any  
 23 county, city, or school district of the state of Montana;

24 (c) the obligations of the federal savings and loan  
 25 insurance corporation lawfully issued pursuant to Title IV

1 of the National Housing Act;

2 (d) improved real estate which has been sold under  
 3 contract, including suburban homes but not including farm  
 4 lands or mining property. However, the total amount  
 5 remaining so invested, excluding real estate otherwise  
 6 acquired, shall at no time exceed 15% of its assets. The  
 7 amount so invested may not exceed 85% of the price  
 8 stipulated in the contract of sale or 85% of the value of  
 9 the property so purchased, whichever is the lesser;

10 (e) other bonds, end securities, and investments, not  
 11 to exceed 10% of the association assets.

12 (2) Not over 10% of the assets of an association may  
 13 be invested in home office buildings, furniture, and  
 14 fixtures. Other real property acquired in any manner or for  
 15 any purpose may not be held for more than 5 years, except by  
 16 permission of the department.

17 (3) Notwithstanding other provisions of the law, it  
 18 shall be lawful for any building and loan association and  
 19 other financial institution operating under the laws of this  
 20 state to invest the funds or moneys in their custody or  
 21 possession, eligible for investment, in bonds of the Home  
 22 Owners' Loan Corporation, in debentures issued by the  
 23 federal housing administrator, and in obligations of  
 24 National Mortgage Associations."

25 Section 2. Section 32-2-407, MCA, is amended to read:

1       "32-2-407. Real estate loans limited by congress.  
2 Building and loan associations and savings and loan  
3 associations, organized and operating under the laws of the  
4 state of Montana ~~and insured by the federal savings and loan~~  
5 ~~insurance corporation,~~ may, in addition to any loan or  
6 investment permitted prior to July 1, 1963, make any real  
7 estate loan upon terms and conditions set by the department  
8 but not to exceed the authority to make real estate loans  
9 granted to savings and loan associations chartered by the  
10 United States and domiciled in Montana, the provisions of  
11 any laws of this state to the contrary notwithstanding. The  
12 additional real estate loans hereby authorized may be made  
13 on the same terms and conditions and subject to the same  
14 limitations as shall from time to time be permitted by acts  
15 of congress of the United States or of the federal home loan  
16 bank board to federally chartered savings and loan  
17 associations domiciled in this state."

-End-

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*Agree* BILL NO. *255*  
*Thissen Kraalun*

INTRODUCED BY \_\_\_\_\_

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE LIMITATIONS ON INVESTMENTS BY BUILDING AND LOAN AND SAVINGS AND LOAN ASSOCIATIONS AND TO DELETE THE PROVISION THAT ONLY THOSE ASSOCIATIONS INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION MAY MAKE REAL ESTATE LOANS ON CERTAIN TERMS AND CONDITIONS; AMENDING SECTIONS 32-2-406 AND 32-2-407, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 32-2-406, MCA, is amended to read:

"32-2-406. Investments. (1) A building and loan association may invest the money of the association in:

(a) the bonds and securities of the United States, bonds and other obligations guaranteed as to interest and principal by the United States, and the stocks, bonds, debentures, and other securities and obligations of any federal home loan bank created under the laws of the United States;

(b) the bonds and warrants of any state and of any county, city, or school district of the state of Montana;

(c) the obligations of the federal savings and loan insurance corporation lawfully issued pursuant to Title IV

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of the National Housing Act;

(d) improved real estate which has been sold under contract, including suburban homes but not including farm lands or mining property. However, the total amount remaining so invested, excluding real estate otherwise acquired, shall at no time exceed 15% of its assets. The amount so invested may not exceed 85% of the price stipulated in the contract of sale or 85% of the value of the property so purchased, whichever is the lesser;

(e) other bonds, ~~and securities, and investments,~~ not to exceed 10% of the association assets.

(2) Not over 10% of the assets of an association may be invested in home office buildings, furniture, and fixtures. Other real property acquired in any manner or for any purpose may not be held for more than 5 years, except by permission of the department.

(3) Notwithstanding other provisions of the law, it shall be lawful for any building and loan association and other financial institution operating under the laws of this state to invest the funds or moneys in their custody or possession, eligible for investment, in bonds of the Home Owners' Loan Corporation, in debentures issued by the federal housing administrator, and in obligations of National Mortgage Associations."

Section 2. Section 32-2-407, MCA, is amended to read:

1       "32-2-407. Real estate loans limited by congress.  
2 Building and loan associations and savings and loan  
3 associations, organized and operating under the laws of the  
4 state of Montana ~~and insured by the federal savings and loan~~  
5 ~~insurance corporation,~~ may, in addition to any loan or  
6 investment permitted prior to July 1, 1963, make any real  
7 estate loan upon terms and conditions set by the department  
8 but not to exceed the authority to make real estate loans  
9 granted to savings and loan associations chartered by the  
10 United States and domiciled in Montana, the provisions of  
11 any laws of this state to the contrary notwithstanding. The  
12 additional real estate loans hereby authorized may be made  
13 on the same terms and conditions and subject to the same  
14 limitations as shall from time to time be permitted by acts  
15 of congress of the United States or of the federal home loan  
16 bank board to federally chartered savings and loan  
17 associations domiciled in this state."

-End-

## 1 SENATE BILL NO. 255

2 INTRODUCED BY THIESSEN, KVAALEN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE  
5 LIMITATIONS ON INVESTMENTS BY BUILDING AND LOAN AND SAVINGS  
6 AND LOAN ASSOCIATIONS AND TO DELETE THE PROVISION THAT ONLY  
7 THOSE ASSOCIATIONS INSURED BY THE FEDERAL SAVINGS AND LOAN  
8 INSURANCE CORPORATION MAY MAKE REAL ESTATE LOANS ON CERTAIN  
9 TERMS AND CONDITIONS; AMENDING SECTIONS 32-2-406 AND  
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18 principal by the United States, and the stocks, bonds,  
19 debentures, and other securities and obligations of any  
20 federal home loan bank created under the laws of the United  
21 States;22 (b) the bonds and warrants of any state and of any  
23 county, city, or school district of the state of Montana;24 (c) the obligations of the federal savings and loan  
25 insurance corporation lawfully issued pursuant to Title IV

1 of the National Housing Act;

2 (d) improved real estate which has been sold under  
3 contract, including suburban homes but not including farm  
4 lands or mining property. However, the total amount  
5 remaining so invested, excluding real estate otherwise  
6 acquired, shall at no time exceed 15% of its assets. The  
7 amount so invested may not exceed 85% of the price  
8 stipulated in the contract of sale or 85% of the value of  
9 the property so purchased, whichever is the lesser;

10 (e) other bonds, and securities, ~~and investments~~, not  
11 to exceed 10% of the association assets.12 (2) Not over 10% of the assets of an association may  
13 be invested in home office buildings, furniture, and  
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15 any purpose may not be held for more than 5 years, except by  
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18 shall be lawful for any building and loan association and  
19 other financial institution operating under the laws of this  
20 state to invest the funds or moneys in their custody or  
21 possession, eligible for investment, in bonds of the Home  
22 Owners' Loan Corporation, in debentures issued by the  
23 federal housing administrator, and in obligations of  
24 National Mortgage Associations."

25 Section 2. Section 32-2-407, MCA, is amended to read:

1       "32-2-407. Real estate loans limited by congress.  
2 Building and loan associations and savings and loan  
3 associations, organized and operating under the laws of the  
4 state of Montana ~~and insured by the federal savings and loan~~  
5 ~~insurance corporation,~~ may, in addition to any loan or  
6 investment permitted prior to July 1, 1963, make any real  
7 estate loan upon terms and conditions set by the department  
8 but not to exceed the authority to make real estate loans  
9 granted to savings and loan associations chartered by the  
10 United States and domiciled in Montana, the provisions of  
11 any laws of this state to the contrary notwithstanding. The  
12 additional real estate loans hereby authorized may be made  
13 on the same terms and conditions and subject to the same  
14 limitations as shall from time to time be permitted by acts  
15 of congress of the United States or of the federal home loan  
16 bank board to federally chartered savings and loan  
17 associations domiciled in this state."

-End-