

By: Representative Ford

To: Banks and Banking

HOUSE BILL NO. 463

1 AN ACT TO REENACT SECTIONS 81-21-1 THROUGH 81-12-207,  
 2 MISSISSIPPI CODE OF 1972, WHICH CREATE THE SAVINGS ASSOCIATION  
 3 LAW, ABOLISH THE DEPARTMENT OF SAVINGS INSTITUTIONS AND SAVINGS  
 4 INSTITUTION BOARD, TRANSFER POWERS AND DUTIES TO THE DEPARTMENT OF  
 5 BANKING AND CONSUMER FINANCE, COMMISSIONER OF BANKING AND CONSUMER  
 6 FINANCE AND STATE BOARD OF BANKING REVIEW AND PRESCRIBE THE RULES  
 7 AND REGULATIONS GOVERNING ALL INSTITUTIONS CARRYING ON A SAVINGS  
 8 AND LOAN BUSINESS IN THE STATE; TO AMEND SECTION 81-12-209,  
 9 MISSISSIPPI CODE OF 1972, TO EXTEND THE REPEAL DATE ON THE  
 10 REENACTED CODE SECTIONS FROM DECEMBER 31, 2001, TO DECEMBER 31,  
 11 2002; AND FOR RELATED PURPOSES.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 SECTION 1. Section 81-12-1, Mississippi Code of 1972, is  
 14 reenacted as follows:

15 81-12-1. This chapter shall be cited as the "Savings  
 16 Association Law."

17 SECTION 2. Section 81-12-3, Mississippi Code of 1972, is  
 18 reenacted as follows:

19 81-12-3. When used in this chapter, the following words and  
 20 phrases shall have the following meanings, except to the extent  
 21 that any such word or phrase specifically is qualified by its  
 22 context:

23 (a) "Association" means a savings association or  
 24 savings and loan association subject to provisions of this  
 25 chapter.

26 (b) "Board" means the State Board of Banking Review.

27 (c) "Capital stock association" means an association  
 28 organized pursuant to Sections 81-12-37 and 81-12-39.

29 (d) "Commissioner" means the Commissioner of Banking  
 30 and Consumer Finance.



31 (e) "Community" means a centralized area or locality in  
32 which the inhabitants have common residential, social or business  
33 interests. The term is not restricted to a municipal corporation  
34 or other political subdivision; a community need not be limited by  
35 lines and boundaries. A city, town or other governmental unit,  
36 either incorporated or unincorporated, may constitute one (1)  
37 community; a large, populous area under one or more forms of  
38 government may comprise one (1) or several communities.

39 (f) "Department" means the Department of Banking and  
40 Consumer Finance.

41 (g) "Earnings" means that part of the "sources  
42 available for payment of earnings" as defined herein which is  
43 declared payable on savings accounts from time to time by the  
44 board of directors. Earnings also may be referred to as  
45 "interest."

46 (h) "Financial institution" means a thrift institution,  
47 commercial bank or trust company.

48 (i) "Impaired condition" means a condition in which the  
49 assets of an association in the aggregate do not have a fair value  
50 equal to the aggregate amount of liabilities of the association to  
51 its creditors, including its members and all other persons, or a  
52 condition in which the association shall be unable to pay when due  
53 current withdrawal requests by its members or depositors.

54 (j) "Insured association" means an association, the  
55 savings accounts of which are insured wholly or in part in  
56 accordance with the provisions of this chapter.

57 (k) "Liquid assets" means cash on hand, cash on deposit  
58 in federal home loan banks, in state banks performing similar  
59 reserve functions, or in commercial banks insured by the Federal  
60 Deposit Insurance Corporation, which is not pledged as security  
61 for indebtedness; except that any deposits in a bank under the  
62 control or in the possession of any supervisory authority shall  
63 not be considered as liquid assets; loans immediately available or



64 federal funds on a day-to-day basis to a bank insured by the  
65 Federal Deposit Insurance Corporation; and direct obligations of,  
66 or obligations which are fully guaranteed as to principal and  
67 interest by, the United States or agencies or instrumentalities  
68 thereof or this state.

69 (l) "Member" means a person holding a savings account  
70 of a mutual association, and a person borrowing from or assuming  
71 or obligated upon a loan or interest therein held by an  
72 association, or purchasing property securing a loan or interest  
73 therein held by an association, and any other person obligated to  
74 an association. A joint and survivorship relationship, whether of  
75 savers or borrowers, constitutes a single membership. This  
76 definition shall not apply to associations organized under  
77 Sections 81-12-37 and 81-12-39 as a capital stock association.

78 (m) "Mutual association" means an association composed  
79 of members which is not a capital stock association as authorized  
80 by this chapter.

81 (n) "Net income" means gross revenues for an accounting  
82 period less all expenses paid or incurred, taxes and losses  
83 sustained as shall not have been charged to reserves pursuant to  
84 the provisions of this chapter.

85 (o) "Net worth" means the sum of all reserve accounts  
86 (except specific or valuation reserves), retained earnings,  
87 capital stock, any other nonwithdrawable accounts of an  
88 association, and the principal amount of any subordinated debt  
89 securities to the extent authorized by the commissioner.

90 (p) "One borrower" means: (i) any person or entity  
91 which is or which, upon the making of a loan, will become obligor  
92 on a real estate loan; (ii) nominees of such obligor; (iii) all  
93 persons, trusts, partnerships, syndicates and corporations of  
94 which such obligor is a nominee or a beneficiary, partner, member  
95 or record or beneficial stockholder owning ten percent (10%) or  
96 more of the capital stock; and (iv) if such obligor is a trust,



97 partnership, syndicate or corporation, all trusts, partnerships,  
98 syndicates and corporations of which any beneficiary, partner,  
99 member or record or beneficial stockholder owning ten percent  
100 (10%) or more of the capital stock, is also a beneficiary,  
101 partner, member or record or beneficial stockholder owning ten  
102 percent (10%) or more of the capital stock of such obligor. A  
103 guarantor or endorser shall be considered an obligor.

104 (q) "Person" means any natural or artificial being,  
105 including any legal entity.

106 (r) "Primary lending area" means this state and any  
107 county (or parish) of another state of which the county seat is  
108 located not more than seventy-five (75) air miles from the home or  
109 a branch office of an association.

110 (s) "Real estate loan" means any loan or other  
111 obligation secured by a first lien on real estate in any state  
112 held in fee or in a leasehold or subleasehold extending or  
113 renewable automatically or at the option of the holder (or at the  
114 option of the association) for a period of at least ten (10) years  
115 beyond the maturity or date scheduled for a final principal  
116 payment of such loan or obligation, or any transaction out of  
117 which a first lien or claim is created against such real estate,  
118 including, inter alia, the purchase of such real estate in fee by  
119 an association and the concurrent or immediate sale thereof on  
120 installment contract.

121 (t) "Savings account" means that part of the savings  
122 liability of the association which is credited to the account of  
123 the holder thereof. A savings account also may be referred to as  
124 a deposit.

125 (u) "Savings institution" means either an association  
126 or a savings bank.

127 (v) "Savings liability" means the aggregate amount of  
128 savings accounts of members and depositors, including earnings  
129 credited to such accounts, less redemptions and withdrawals.



130           (w) "Service organization" means an organization,  
131 substantially all the activities of which consist of originating,  
132 purchasing, selling and servicing loans upon real estate and  
133 participating interests therein, or clerical, bookkeeping,  
134 accounting, statistical or similar functions performed primarily  
135 for associations, and such other activities as the commissioner,  
136 by regulation, may approve, which are directly related to real  
137 estate development and the servicing of real estate loans.

138           (x) "Sources available for payment of earnings" means  
139 net income for an accounting period less amounts transferred to  
140 reserves as provided in or permitted by this chapter, plus any  
141 balance of undivided profits from preceding accounting periods, or  
142 from surplus.

143           (y) "Thrift institution" means a savings bank, bank for  
144 savings, a homestead association, a savings and loan association,  
145 a building and loan association, a federal savings association, a  
146 federal savings and loan association, and a supervised thrift and  
147 residential financing institution of a substantially similar  
148 nature, but shall not include a banking association organized  
149 under the laws of the United States or a bank organized under the  
150 laws of this state or any other state.

151           (z) "Withdrawal value" means the amount credited to a  
152 savings account of a member, less lawful deductions therefrom, as  
153 contained in the records of the association.

154           SECTION 3. Section 81-12-4, Mississippi Code of 1972, is  
155 reenacted as follows:

156           81-12-4. All the provisions of law relating to private  
157 corporations operating in this state which are not inconsistent  
158 with this chapter, or with the proper business of depository  
159 institutions, shall be applicable to all savings and loan  
160 associations.

161           SECTION 4. Section 81-12-6, Mississippi Code of 1972, is  
162 reenacted as follows:



163           81-12-6. The Department of Savings Institutions and the  
164 Savings Institution Board are abolished, and all of the powers,  
165 duties, property, contractual rights and obligations and  
166 unexpended funds of that department and board shall be transferred  
167 to the Department of Banking and Consumer Finance, Commissioner of  
168 Banking and Consumer Finance and State Board of Banking Review as  
169 provided in this chapter.

170           SECTION 5. Section 81-12-7, Mississippi Code of 1972, is  
171 reenacted as follows:

172           81-12-7. The commissioner shall have such rights, powers and  
173 privileges and shall be subject to such duties as are provided by  
174 this chapter, and shall make such other provisions for the orderly  
175 conduct of the business of the department under this chapter as he  
176 deems necessary. The commissioner shall have the authority and  
177 duty to make, after notice and hearing, such reasonable rules,  
178 regulations and orders as required by this chapter and as may be  
179 necessary from time to time to administer and enforce this  
180 chapter. The commissioner shall give at least thirty (30) days'  
181 notice of any proposed rule or regulation by publication not less  
182 than one (1) time in a newspaper having statewide circulation and,  
183 in addition, shall give such notice of the proposed rule or  
184 regulation by United States mail, postage prepaid, to each thrift  
185 institution in this state and to such others as he deems necessary  
186 or advisable and shall file such notice in his office. Any  
187 savings institution may propose rules or regulations for  
188 consideration by the commissioner. The commissioner shall  
189 maintain in his office permanent records of his hearings and  
190 decisions. Notice of the adoption of any rule or regulation shall  
191 be sent by United States mail, postage prepaid, to each thrift  
192 institution within ten (10) days of its adoption.

193           SECTION 6. Section 81-12-9, Mississippi Code of 1972, is  
194 reenacted as follows:



195           81-12-9. The determination by the commissioner upon any  
196 matter decided by him shall be final, subject to review by the  
197 courts as provided herein.

198           SECTION 7. Section 81-12-11, Mississippi Code of 1972, is  
199 reenacted as follows:

200           81-12-11. The department is charged with the execution of  
201 all laws relating to institutions carrying on a savings and loan  
202 business in this state.

203           SECTION 8. Section 81-12-17, Mississippi Code of 1972, is  
204 reenacted as follows:

205           81-12-17. (1) The commissioner, deputy commissioner and  
206 examiners shall not be interested in a savings institution,  
207 directly or indirectly, either as creditor (except that each may  
208 be a savings account holder and receive earnings thereon),  
209 director, officer, employee, borrower (except that each may be a  
210 borrower as to a single home in which he actually resides or has  
211 resided), trustee or attorney, nor shall any one (1) of them  
212 receive, directly or indirectly, any payment, compensation or  
213 gratuity from any savings institution.

214           (2) The commissioner, examiners, all employees of the  
215 department and members of the board shall not divulge any  
216 information acquired by them in the discharge of their duties as  
217 prescribed by this chapter, except insofar as the same may be  
218 rendered necessary by law or under order of court; however, the  
219 commissioner may furnish information as to the condition of any  
220 savings institution to the appropriate federal regulatory  
221 authority, any federal home loan bank, the board, or the board of  
222 directors of the affected savings institution, and the  
223 commissioner may provide to members of the public the information  
224 authorized under Section 81-12-178 without being in violation of  
225 this subsection.

226           SECTION 9. Section 81-12-21, Mississippi Code of 1972, is  
227 reenacted as follows:



228           81-12-21. (1) Within sixty (60) days after July 1, 1977,  
229 the funds, books, records, documents, equipment, and supplies of  
230 every such office and officer created or appointed by Chapter 11,  
231 Title 81, Mississippi Code of 1972, shall be transferred, pursuant  
232 to orders of the Governor, to the office of the commissioner.

233           (2) All actions or proceedings heretofore instituted by any  
234 officer or officers charged with the supervision of such  
235 associations other than actions or proceedings by the conservator  
236 appointed pursuant to Section 81-11-91, shall be continued in the  
237 name of the commissioner in such manner as he may direct.

238           SECTION 10. Section 81-12-23, Mississippi Code of 1972, is  
239 reenacted as follows:

240           81-12-23. (1) The commissioner shall have general  
241 supervision over all associations and corporations which are  
242 subject to the provisions of this chapter. He shall enforce the  
243 provisions of this chapter by use of the powers herein conferred;  
244 and he is hereby vested with the authority to require such  
245 associations and corporations to correct violations of this  
246 chapter. Upon a finding that it is necessary and appropriate to  
247 further the objective of this chapter, the commissioner may order  
248 that improper entries found on the books and records of an  
249 association be corrected.

250           (2) Every approval by the commissioner or the board given  
251 pursuant to the provisions of this chapter and every communication  
252 having the effect of an order or instruction to any association  
253 shall be in writing signed by the commissioner under seal and  
254 shall be sent by United States mail, postage prepaid, to the  
255 association affected thereby, addressed to the president thereof  
256 at the home office of the association.

257           SECTION 11. Section 81-12-24, Mississippi Code of 1972, is  
258 reenacted as follows:

259           81-12-24. (1) If, in the commissioner's opinion, after an  
260 examination, audit, or investigation, it is determined that any



261 director or officer or any employee or controlling stockholder of  
262 any association has knowingly participated in or consented to any  
263 violation of this chapter, or any other law, rule, regulation or  
264 order, or any repeated violation of or failure to comply with any  
265 association's bylaws, and that as a result, a situation exists  
266 requiring immediate corrective action, the commissioner shall give  
267 notice to the board of directors of the association setting forth  
268 the violations and the remedies for same. Failure of the board of  
269 directors to comply with the requirements of the commissioner  
270 within ten (10) days from the date of the notice shall render the  
271 board of directors in default thereupon. Upon the expiration of  
272 such ten (10) days and upon continuation of such noncompliance and  
273 default, the commissioner may issue an order temporarily removing  
274 such person or persons cited for improper conduct as above  
275 described pending a hearing before the commissioner. In regard to  
276 a controlling stockholder, the commissioner may order the  
277 stockholder to place all his voting stock in a voting trust, the  
278 trustee of the voting trust to be designated by the commissioner.  
279 Any temporary order of removal shall state its duration on its  
280 face and the words "Temporary Order of Removal" and shall be  
281 effective upon issuance for a period of thirty (30) days and may  
282 be extended once upon written notice by the commissioner for an  
283 additional period of fifteen (15) days. A hearing upon such  
284 "Temporary Order of Removal" shall be held by the commissioner  
285 within the thirty-day period, or any extension thereof, upon not  
286 less than fifteen (15) days' notice to the removed person or  
287 persons by certified United States mail, restricted delivery, at  
288 which hearing the commissioner may dissolve the temporary order or  
289 make the same permanent. No removed person or persons shall  
290 receive any salary, compensation or remuneration from the  
291 association as an officer or director after the order is made  
292 permanent. Any temporary order of removal by the commissioner  
293 shall not be subject to judicial review in any form. Any final



294 order of the commissioner may be appealed as provided in Section  
295 81-12-205.

296 (2) Any removal pursuant to subsection (1) of this section  
297 shall be effective in all respects as if such removal had been  
298 made by the board of directors or the shareholders of the  
299 association in question.

300 (3) Without the prior written approval of the commissioner,  
301 no director or officer removed pursuant to this section shall be  
302 eligible to be elected or reelected to any position as an officer  
303 or director of that association nor shall such an officer or  
304 director be eligible to be elected to or retain a position as an  
305 officer or director of any other association or financial  
306 institution.

307 (4) The commissioner may appoint a director or officer to  
308 fill any vacancy caused by a removal pursuant to this section, but  
309 such appointed director or officer, should such removal be  
310 permanent, shall be appointed only to serve the balance of the  
311 term of the vacant position. The commissioner may waive the  
312 requirements of Section 81-12-83(3) of a director appointed under  
313 the provisions of this section. Such director shall be eligible  
314 to be elected by the shareholders thereafter. Such officer shall  
315 be eligible to be elected by the board of directors of an  
316 association.

317 SECTION 12. Section 81-12-25, Mississippi Code of 1972, is  
318 reenacted as follows:

319 81-12-25. Any five (5) or more individuals (hereinafter  
320 referred to as the "incorporators"), citizens of this state, may  
321 form a mutual association or capital stock association to promote  
322 thrift and home financing, subject to approval as hereinafter  
323 provided in this chapter, by filing with the commissioner, two (2)  
324 sworn duplicate originals of a petition for a certificate of  
325 incorporation in the form to be prescribed by the commissioner,  
326 accompanied by the proposed articles of incorporation and proposed



327 bylaws, each in a form approved by the commissioner and  
328 accompanied by the incorporation fee. The proposed bylaws shall  
329 make provisions for (a) annual meeting of members or stockholders,  
330 (b) special meeting of members or stockholders, (c) notice of  
331 meeting of members or stockholders, (d) procedure for nomination  
332 of directors, (e) meetings of board of directors, (f) resignation  
333 and removal of directors, (g) officers, (h) execution of  
334 instruments, (i) evidence of savings accounts, (j) corporate seal,  
335 (k) fiscal year, (l) amendments and (m) such other matters as may  
336 be prescribed by the commissioner by rule or regulation. The  
337 petitioners shall submit with their petition statements, exhibits,  
338 maps and other data which the commissioner may require, which data  
339 shall be sufficiently detailed and comprehensive to enable the  
340 commissioner to pass upon the petition as to the criteria set out  
341 in Section 81-12-27.

342 SECTION 13. Section 81-12-27, Mississippi Code of 1972, is  
343 reenacted as follows:

344 81-12-27. Upon receipt of a petition for a certificate of  
345 incorporation, including supporting data, the commissioner shall  
346 promptly give consideration to the petition and make an  
347 examination of the proposed articles of incorporation to determine  
348 if they meet all requirements of law. The commissioner shall then  
349 make an investigation to determine that the prerequisites of this  
350 chapter have been complied with and that:

351 (a) The character, responsibility and general fitness  
352 of the persons named in the petition are such as to command  
353 confidence and warrant belief that the business of the proposed  
354 association will be honestly and efficiently conducted in  
355 accordance with the intent and purpose of this chapter, and that  
356 the proposed association will have qualified full-time management;

357 (b) There is public need for the proposed association  
358 and the interest of the public will be best served by granting the  
359 petition;



360 (c) The anticipated volume and type of business of the  
361 proposed association is such as to indicate profitable operation  
362 within a reasonable time; and

363 (d) The operation of the proposed association will not  
364 unduly harm any properly conducted financial institution serving  
365 the needs and existing in the community in which the principal  
366 office or any branch of the proposed association is to be located.

367 SECTION 14. Section 81-12-29, Mississippi Code of 1972, is  
368 reenacted as follows:

369 81-12-29. (1) Upon receipt of a petition for a certificate  
370 of incorporation to form an association, the complete filing and  
371 filing date to be determined by the commissioner, the commissioner  
372 shall, within fifteen (15) days of the determined filing date,  
373 give written notice to all financial institutions in the county in  
374 which the proposed association is to be located and to all  
375 financial institutions in the counties bordering the county in  
376 which the proposed association is to be located. Notice shall  
377 also be sent to all interested persons and shall be published one  
378 (1) time in a newspaper of general circulation in the county in  
379 which the proposed association is to be located. Such notice  
380 shall include the subject matter of the petition and shall invite  
381 persons to be heard by the board by sworn written statement or in  
382 person. Any financial institution opposing approval of the  
383 petition of incorporation shall file a sworn written statement of  
384 such opposition with the commissioner not later than the date  
385 fixed therefor by the commissioner in his notice. The statement  
386 of opposition shall set forth in summary form specific objections  
387 to the incorporation of the proposed association. The protestant  
388 shall, at the same time its statement of opposition is filed with  
389 the commissioner, furnish the petitioner a copy of such statement  
390 by first class United States mail. The protestant shall certify  
391 to the commissioner that he has furnished such statement to the  
392 petitioner.



393           (2) Within forty-five (45) days of the determined filing  
394 date of a petition for a certificate of incorporation to form an  
395 association, the commissioner, in writing, shall set a date for  
396 the hearing of such petition by the board to consider the petition  
397 and his findings, such date to be not earlier than sixty (60) days  
398 and not more than ninety (90) days from the determined filing date  
399 of the petition. Written notice of such hearing date shall be  
400 furnished by first class United States mail to the board members,  
401 the petitioner, the petitioner's attorney, and any protestants of  
402 record and their attorneys.

403           (3) When the commissioner has completed the examination and  
404 made his investigation, he shall record his findings and  
405 recommendations in writing and present them to the board at least  
406 fifteen (15) days prior to the hearing date set pursuant to  
407 subsection (2) of this section.

408           (4) Times established pursuant to this section may be  
409 extended by the commissioner upon good cause shown.

410           SECTION 15. Section 81-12-31, Mississippi Code of 1972, is  
411 reenacted as follows:

412           81-12-31. The board, at its meeting, shall consider the  
413 findings and recommendation of the commissioner and shall hear  
414 such oral testimony as he may wish to give or be called upon to  
415 give, and shall also receive information and hear testimony from  
416 the prospective incorporators of the proposed association and from  
417 any and all other interested persons bearing upon the approval of  
418 the petition and the operation of the new association. All  
419 witnesses shall be subject to cross-examination by any of the  
420 parties who are incorporators or objectors or by the board. After  
421 considering the findings, and recommendation submitted to it by  
422 the commissioner and his oral testimony, if any, and considering  
423 such other information and evidence, either written or oral, which  
424 has come before it, the board shall decide if it has before it  
425 sufficient information and evidence upon which it can dispose of



426 the petition for a certificate of incorporation to form an  
427 association. If it is determined that evidence and information is  
428 not sufficient, then the board shall order the commissioner to  
429 secure such additional information and evidence as it may  
430 prescribe or shall request such from the prospective incorporators  
431 and from other interested persons. The board shall thereupon set  
432 a date for a future meeting to be held in not less than forty-five  
433 (45) nor more than sixty (60) days and shall give to the  
434 prospective incorporators, financial institutions and other  
435 interested persons the same notice of such meeting prescribed  
436 above and shall recess the meeting then being held until such  
437 future date. The board shall have and is hereby vested with the  
438 power to compel attendance of witnesses, just as is the  
439 commissioner, and all testimony given before said board shall be  
440 taken down and may be transcribed by a reporter at the request of  
441 any interested party. If the board, or a majority thereof, shall  
442 determine that it has before it sufficient evidence and  
443 information upon which to base a decision, then it shall render a  
444 written opinion and decision in the matter within sixty (60) days  
445 of the last meeting. If its decision is favorable, then the board  
446 shall issue a certificate of approval of incorporation of the  
447 association.

448 SECTION 16. Section 81-12-33, Mississippi Code of 1972, is  
449 reenacted as follows:

450 81-12-33. (1) The commissioner shall file one (1) signed  
451 copy of such certificate of approval and of the certificate of  
452 incorporation with the Secretary of State. The commissioner shall  
453 endorse upon the two (2) copies of the petition for certificate of  
454 incorporation filed with him such certificate of approval and  
455 return the duplicate original and a copy of the certificate of  
456 incorporation to the association, addressed to the chairman of the  
457 incorporators, and shall retain the original petition for  
458 certificate of incorporation and a copy of the certificate of



459 incorporation in the permanent files of his office. He shall  
460 return one (1) copy of the approved bylaws to the association,  
461 addressed to the chairman of the incorporators, and retain in the  
462 permanent files of his office the original signed copy of the  
463 approved bylaws. The petition for certificate of incorporation,  
464 the certificate of approval of incorporation, the certificate of  
465 incorporation, and the bylaws shall not be filed or recorded in  
466 any other state or county office. The failure of the commissioner  
467 to file, return or retain any such document as above provided  
468 shall not affect the validity of the incorporation of any  
469 association.

470 (2) The corporate existence of an association shall begin on  
471 the date the commissioner issues the certificate of incorporation  
472 of the association.

473 SECTION 17. Section 81-12-35, Mississippi Code of 1972, is  
474 reenacted as follows:

475 81-12-35. (1) A mutual association shall be organized in  
476 accordance with this section. The incorporators shall appoint one  
477 (1) of their number as chairman of the incorporators. The  
478 incorporators, before a certificate of incorporation is issued,  
479 shall pay in cash to such chairman, as subscription to the savings  
480 accounts of any proposed association, including that part of the  
481 original subscription paid by such chairman, an aggregate amount,  
482 fixed as follows in relation to the population of the municipality  
483 in which the home office of the association is to be located: (a)  
484 in municipalities having not more than twenty-five thousand  
485 (25,000) inhabitants, the minimum sum of Five Hundred Thousand  
486 Dollars (\$500,000.00); (b) in municipalities having more than  
487 twenty-five thousand (25,000), but not more than one hundred  
488 thousand (100,000) inhabitants, the minimum sum of One Million  
489 Dollars (\$1,000,000.00); (c) in municipalities having one hundred  
490 thousand (100,000) or more inhabitants, the minimum sum of One  
491 Million Five Hundred Thousand Dollars (\$1,500,000.00). The



492 population of the municipality shall be determined by the  
493 commissioner based upon the latest federal decennial census.

494 (2) The incorporators shall procure from a surety company or  
495 other surety acceptable to the commissioner, a surety bond in form  
496 approved by the commissioner in an amount equal to seventy-five  
497 percent (75%) of the minimum original subscription required by  
498 paragraph (1). Such bond shall name the commissioner as obligee  
499 and shall be delivered to him. It shall assure the safekeeping of  
500 the funds subscribed and their delivery to the association after  
501 the issuance of the certificate of incorporation and after the  
502 bonding of the officers. In the event of the failure to complete  
503 organization, such bond shall assure the return of the amounts  
504 collected to the respective subscribers or their assigns, less  
505 reasonable expense which shall be deducted from the expense fund.

506 (3) The incorporators, in addition to their subscriptions to  
507 savings accounts, shall create an expense fund in an amount not  
508 less than twenty-five percent (25%) of the minimum amount of  
509 savings account subscriptions required to be paid in under this  
510 chapter, from which expense fund the expense of organizing the  
511 association and its operating expenses may be paid until such time  
512 as its net income is sufficient to pay such earnings as may be  
513 declared and paid or credited to its savings account holders from  
514 sources available for payment of earnings. The incorporators and  
515 others, before a certificate of incorporation is issued, shall  
516 deposit to the credit of the chairman of the incorporators in cash  
517 the amount of the expense fund. The amounts contributed to the  
518 expense fund by the incorporators and others shall not constitute  
519 a liability of the association except as hereinafter provided.

520 (4) Contributions made by the incorporators and others to  
521 the expense fund may be repaid pro rata to the contributors from  
522 the net income of the association after provision for statutory  
523 reserves and declaration of earnings of not less than the contract  
524 or prevailing rate whichever may be applicable. In case of the



525 liquidation of an association before contributions to the expense  
526 fund have been repaid, any contributions to the expense fund  
527 remaining unexpended, after the payment of expenses of  
528 liquidation, all creditors, and the withdrawal value of all  
529 savings accounts, shall be repaid to the contributors pro rata.  
530 The books of the association shall reflect the expense fund.  
531 Contributors to the expense fund shall, at the times earnings  
532 regularly are distributed to savings account holders, be paid  
533 earnings on the amounts paid in by them and remaining  
534 unreimbursed, and for such purpose such contributions shall be  
535 considered as savings accounts of the association.

536 (5) Within thirty (30) days after the corporate existence of  
537 an association begins, the directors of the association shall hold  
538 an organization meeting and shall elect officers pursuant to the  
539 provisions of this chapter and the bylaws. At the organization  
540 meeting the directors shall take such other action as is  
541 appropriate in connection with beginning the transaction of  
542 business by the association. The commissioner may extend by order  
543 the time within which the organization meeting shall be held for a  
544 period not to exceed thirty (30) days.

545 SECTION 18. Section 81-12-37, Mississippi Code of 1972, is  
546 reenacted as follows:

547 81-12-37. A capital stock association shall be organized in  
548 accordance with this section. The incorporators shall appoint one  
549 (1) of their number as chairman of the incorporators. The capital  
550 of a capital stock association shall be the sum of the par value  
551 of all shares of voting capital stock. The minimum required  
552 capital shall be: (a) in municipalities having not more than  
553 twenty-five thousand (25,000) inhabitants, the minimum sum of Five  
554 Hundred Thousand Dollars (\$500,000.00); (b) in municipalities  
555 having more than twenty-five thousand (25,000), but not more than  
556 one hundred thousand (100,000) inhabitants, the minimum sum of One  
557 Million Dollars (\$1,000,000.00); (c) in municipalities having more



558 than one hundred thousand (100,000) inhabitants, the minimum sum  
559 of One Million Five Hundred Thousand Dollars (\$1,500,000.00). The  
560 population of the municipality shall be determined by the  
561 commissioner based upon the latest federal census. No  
562 commissions, fees or other remuneration shall be paid for the sale  
563 of shares of capital stock necessary to meet the minimum capital  
564 and paid-in surplus requirements of this section. No incentive  
565 stock shall be issued. All stock shall be sold at not less than  
566 par value.

567 In addition to the minimum capital required above, the  
568 subscribers shall pay an additional amount equal to not less than  
569 twenty-five percent (25%) of the par value of the stock  
570 subscribed, which shall be credited to paid-in surplus and may be  
571 used to offset losses from operations. Such minimum capital and  
572 surplus may be used for the reserves required by law as may be  
573 permitted by the board.

574 After organization or conversion, each capital stock  
575 association shall maintain an adequate net worth appropriate for  
576 the conduct of its business and the protection of its savings  
577 account holders. The net worth adequacy of a capital stock  
578 association shall be determined by the commissioner on a regular  
579 basis but not less than one (1) time per year after evaluating the  
580 character of management, the liquidity or quality of assets,  
581 history of earnings and the retention thereof, the potential  
582 volatility of the deposit structure, and the association's  
583 capacity to furnish the broadest service to the public. A written  
584 report of such finding and determination shall be made and filed.  
585 Such report shall include actions recommended to be taken. A copy  
586 of such report shall be sent to each member of the board and  
587 considered by the board at its next meeting.

588 SECTION 19. Section 81-12-39, Mississippi Code of 1972, is  
589 reenacted as follows:



590           81-12-39. (1) After approval by the board of the petition  
591 for a certificate of incorporation, the proposed capital stock  
592 association shall file with the commissioner a statement in such  
593 form and with such supporting data and proof as it may require,  
594 showing that the entire capital including paid-in surplus has been  
595 fully and unconditionally paid in lawful cash money and that the  
596 funds representing such capital and paid-in surplus, less sums of  
597 the paid-in surplus spent with the approval of the commissioner  
598 for land, building, supplies, fixtures, equipment and  
599 organization, are on hand and that it has acquired insurance of  
600 accounts as provided in this chapter. If the board finds that the  
601 capital stock association has in good faith complied with all the  
602 requirements of law, it shall, within thirty (30) days after the  
603 filing of the said statement issue, in duplicate, under its  
604 official seal, a certificate of authorization to transact a  
605 general savings and loan business, transmitting one (1) copy to  
606 the association and placing one (1) copy in the department file.  
607 Said certificate shall state that the association named therein is  
608 authorized to transact a general savings and loan business. Should  
609 the board find that said statement does not comply with the law,  
610 it shall so notify the association and require such compliance as  
611 it finds necessary.

612           (2) Within forty-five (45) days after the corporate  
613 existence of an association begins, the directors of the  
614 association shall hold an organization meeting for the purpose set  
615 forth in Section 81-12-35(5) above, provided the time of such  
616 meeting may be similarly extended.

617           SECTION 20. Section 81-12-41, Mississippi Code of 1972, is  
618 reenacted as follows:

619           81-12-41. (1) The name of every association may include  
620 either the words "savings association," or "savings and loan  
621 association." If used, these words shall be preceded by an  
622 appropriate descriptive word or words approved by the



623 commissioner. An ordinal number may not be used as a single  
624 descriptive word preceding the words "savings association," or  
625 "savings and loan association," unless such words are followed by  
626 the words "of \_\_\_\_," the blank being filled by the name of the  
627 community, town, city or county in which the association has its  
628 home office. An ordinal number may be used, together with another  
629 descriptive word, preceding the words "savings association" or  
630 "savings and loan association," provided the other descriptive  
631 word has not been used in the corporate name of any other  
632 association in the state, in which case the suffix mentioned above  
633 is not required to be used. An ordinal number may be used,  
634 together with another descriptive word, preceding the words  
635 "savings association" or "savings and loan association," even when  
636 such other descriptive word has been used in the corporate name of  
637 an association in the state, provided the suffix "of \_\_\_\_," as  
638 provided above, is also used. The suffix provided above may be  
639 used in any corporate name. The use of the words, "National,"  
640 "Federal," "United States," "Insured," "Guaranteed," or any form  
641 thereof, separately or in any combination thereof with other words  
642 or syllables, is prohibited as part of the corporate name of an  
643 association organized under this chapter. No certificate of  
644 incorporation of a proposed association having the same name as a  
645 corporation authorized to do business under the laws of this state  
646 or a name so nearly resembling it as to be likely to deceive shall  
647 be issued by the commissioner, except to an association formed by  
648 the reincorporation, reorganization, or consolidation of the  
649 association with other associations, or upon the sale of the  
650 property or franchise of an association.

651 (2) No person, firm, company, association, fiduciary,  
652 partnership or corporation, either domestic or foreign, unless he  
653 or it is lawfully authorized to do business in this state under  
654 the provisions of this chapter and actually is engaged in carrying  
655 on an association business shall do business under any name or



656 title which contains the terms "savings association," "savings and  
657 loan association," "building and loan association," "building  
658 association," or any combination employing either or both of the  
659 words "building" or "loan" with one or more of the words "saving,"  
660 "savings," "thrift," or words of similar import, or any  
661 combination employing one or more of the words "saving,"  
662 "savings," "thrift," or words of similar import with one or more  
663 of the words "association," "institution," "society," "company,"  
664 "fund," "corporation," or words of similar import, or use any name  
665 or sign or circulate or use any letterhead, billhead, circular or  
666 paper whatever, or advertise or represent in any manner which  
667 indicates or reasonably implies that his or its business is the  
668 character or kind of business carried on or transacted by an  
669 association or which is likely to lead any person to believe that  
670 his or its business is that of an association. Upon application  
671 by the commissioner or any association, an injunction may issue to  
672 restrain any such entity from violating or continuing to violate  
673 any of the foregoing provisions of this subsection. Any person  
674 who violates any provision of this subsection shall be punished by  
675 a fine of not more than Five Thousand Dollars (\$5,000.00), and  
676 each day of violation shall constitute a separate offense. The  
677 prohibitions of this subsection shall not apply to any corporation  
678 or association formed solely for the purpose of promoting the  
679 interests of thrift institutions, the membership of which is  
680 comprised of thrift institutions, their officers or other  
681 representatives.

682 SECTION 21. Section 81-12-43, Mississippi Code of 1972, is  
683 reenacted as follows:

684 81-12-43. (1) Without the prior approval of the  
685 commissioner or the board, as provided in this chapter, no  
686 association shall change its name or establish any office other  
687 than its home office, which shall be in the location named in the



688 certificate of incorporation. No office of an association shall  
689 be moved unless approved as provided in this chapter.

690 (2) The name or the location of the home office of any  
691 association fixed in the certificate of incorporation may be  
692 changed in the following manner:

693 (a) The proposed new name of the association shall be  
694 approved by a resolution adopted by the board of directors.  
695 Immediately preceding application to the commissioner for  
696 approval, notice of intention to change the name, signed by two  
697 (2) officers, shall be published once a week for two (2)  
698 successive weeks in a newspaper of general circulation in the  
699 county in which the home office is located, and a copy of such  
700 notice shall be displayed during such consecutive period of two  
701 (2) weeks in a conspicuous public place in the home office of the  
702 association. Five (5) copies of an application to the  
703 commissioner for approval shall be signed by two (2) officers of  
704 the association, acknowledged before an officer competent to take  
705 acknowledgments of deeds, and filed with the commissioner. If the  
706 application for change of name is approved, the commissioner shall  
707 endorse on each copy of the application therefor a certificate of  
708 approval thereof, and the change of name of such association shall  
709 be effective immediately.

710 (b) (i) The proposed new location of the association  
711 shall be approved by a resolution adopted by the board of  
712 directors. Immediately preceding application to the commissioner  
713 for approval, notice of intention to change the location of the  
714 home office, signed by two (2) officers, shall be published once a  
715 week for two (2) successive weeks in a newspaper of general  
716 circulation in the county in which the home office is located, and  
717 a copy of such notice shall be displayed during such consecutive  
718 period of two (2) weeks in a conspicuous public place in the home  
719 office of the association. Five (5) copies of an application to  
720 the commissioner for approval shall be signed by two (2) officers



721 of the association and acknowledged before an officer competent to  
722 take acknowledgments of deeds, and filed with the commissioner.

723 (ii) Whenever the commissioner shall receive from  
724 any association pursuant to item (i) of this paragraph (b) an  
725 application for change of location of its home office to a  
726 municipality other than that in which it is located, he shall make  
727 a determination based upon the criteria set out in Section  
728 81-12-27 in the case of establishment of a newly chartered  
729 association, and thereafter a hearing shall be held in the manner,  
730 within the time and on the notice provided for in Section 81-12-29  
731 and no change of location shall be made without approval of the  
732 board.

733 (iii) Whenever the commissioner shall receive from  
734 any association pursuant to item (i) of this paragraph (b) an  
735 application for change of location of its home office to another  
736 location within the same municipality, the commissioner shall  
737 prescribe the form of the petition, prerequisites and  
738 requirements. If no protests are filed after notice is given as  
739 provided in Section 81-12-29(1), the commissioner may approve such  
740 application if it meets the established prerequisites and  
741 requirements. If protests are filed, the commissioner, upon  
742 reasonable notice to the applying association and its attorney and  
743 to the protestants and their attorneys, shall hold a hearing and,  
744 based upon his written findings at such hearing, issue a  
745 certificate of approval or disapproval.

746 (3) Upon approval of an application for a change of name or  
747 home office location, the commissioner shall endorse on each copy  
748 of such application a certificate of approval, as provided in this  
749 chapter. When the commissioner shall have endorsed such approval  
750 upon the copies of an application for approval of change of name  
751 or change of location of home office, he shall file one (1) copy  
752 thereof with the Secretary of State, two (2) copies with the  
753 federal home loan bank of which the association is a member,



754 return one (1) copy to the applicant association and retain the  
755 original copy in the permanent files of his office.

756 SECTION 22. Section 81-12-45, Mississippi Code of 1972, is  
757 reenacted as follows:

758 81-12-45. Any association which obtains its charter of  
759 incorporation subsequent to July 1, 1977, and which shall not  
760 commence business within six (6) months after the date upon which  
761 its corporate existence shall have begun, shall forfeit its  
762 corporate existence, unless the commissioner, before the  
763 expiration of such period of six (6) months shall have approved  
764 the extension of time within which it may commence business not to  
765 exceed ninety (90) days, upon a written application stating the  
766 reasons for such delay. Upon such forfeiture the certificate of  
767 incorporation shall expire, and all action taken in connection  
768 with the incorporation thereof, except the payment of the  
769 incorporation fee, shall become void. Amounts credited on savings  
770 accounts, less expenditures authorized by law, shall be returned  
771 pro rata to the respective holders thereof.

772 SECTION 23. Section 81-12-47, Mississippi Code of 1972, is  
773 reenacted as follows:

774 81-12-47. (1) Each association which obtained its charter  
775 of incorporation prior to July 1, 1977, and was organized and  
776 engaged in business on July 1, 1977, must submit evidence  
777 satisfactory to the commissioner that it has:

778 (a) Obtained insurance of its savings accounts and  
779 share accounts by the Federal Deposit Insurance Corporation or an  
780 agency of this state established for the purpose of insuring  
781 savings accounts of associations organized under this chapter; or

782 (b) Become a federal savings and loan association and a  
783 member of the federal home loan bank system; or

784 (c) Merged into, been acquired by, or otherwise  
785 consolidated with an existing association whose savings accounts  
786 and share accounts are insured by the Federal Savings and Loan



787 Insurance Corporation or by some other federal agency or an agency  
788 of this state established for the purpose of insuring savings  
789 accounts of associations organized under this chapter; provided  
790 any merger into, acquisition by or consolidation with an insured  
791 association must have prior approval of the board; or

792 (d) Entered into voluntary or involuntary liquidation.

793 (2) No charter of incorporation shall be granted or approved  
794 by the board after July 1, 1977, unless the applicant for such  
795 charter submits sufficient evidence satisfactory to the board that  
796 its savings accounts and share accounts are insured by the Federal  
797 Deposit Insurance Corporation or an agency of this state  
798 established for the purpose of insuring savings accounts of  
799 associations organized under this chapter, or will be so insured  
800 immediately subsequent to the approval of the charter of  
801 incorporation by the board.

802 (3) No association that obtained its charter prior to July  
803 1, 1977, but which was not organized and engaged in business on  
804 July 1, 1977, shall accept deposits unless and until it first  
805 complies with subsection (2) of this section, and any additional  
806 requirements imposed as to charters granted after July 1, 1977.

807 (4) Notwithstanding any other provision of state law to the  
808 contrary, if any association which obtained its charter of  
809 incorporation prior to July 1, 1977, and was organized and engaged  
810 in business on July 1, 1977, has not accomplished one (1) of the  
811 four (4) conditions prescribed in subparagraphs (a), (b), (c) and  
812 (d) of subsection (1) on July 1, 1977, the conservator appointed  
813 pursuant to Section 81-11-91 shall apply to the chancery court  
814 judge designated by the Supreme Court as hereinafter provided for  
815 appointment of a liquidating receiver for purposes of liquidating  
816 the assets of the association; however, if any such association  
817 shall furnish sufficient evidence satisfactory to the conservator  
818 appointed pursuant to Section 81-11-91 that a definite plan of  
819 accomplishment of one (1) of the four (4) conditions prescribed in



820 subsection (1) has been substantially completed, the conservator  
821 appointed pursuant to Section 81-11-91 may extend the time for  
822 taking action for the appointment of such receiver, but not beyond  
823 March 31, 1978, upon such terms and conditions as the conservator  
824 may prescribe. In the absence of a compelling reason to do  
825 otherwise, the chancery court judge shall appoint the conservator  
826 appointed pursuant to Section 81-11-91 as the liquidating  
827 receiver. For the purposes of this subsection, the Supreme Court,  
828 upon application of the conservator appointed pursuant to Section  
829 81-11-91, shall designate a chancery court judge who shall, after  
830 such designation, have exclusive jurisdiction of all proceedings  
831 initiated under this subsection.

832 (5) No association or officer or employee thereof shall  
833 represent in any way that its accounts are insured, unless such  
834 accounts are in fact insured by the Federal Deposit Insurance  
835 Corporation or an agency of this state established for the purpose  
836 of insuring savings accounts in associations. Any person who  
837 shall violate this provision shall be guilty of a misdemeanor and,  
838 upon conviction, shall be punished as such. Upon application of  
839 the Attorney General to the chancery court of the county in which  
840 the association is domiciled, violations of this provision shall  
841 be enjoined.

842 SECTION 24. Section 81-12-49, Mississippi Code of 1972, is  
843 reenacted as follows:

844 81-12-49. Every association incorporated pursuant to or  
845 operating under the provisions of this chapter shall have all the  
846 powers enumerated, authorized and permitted by this chapter and  
847 such other rights, privileges and powers as may be incidental to  
848 or reasonably necessary for the accomplishment of the objects and  
849 purposes of this chapter. Every association shall have the  
850 following powers:

851 (a) To be organized for a period not to exceed  
852 ninety-nine (99) years, but renewable for additional periods of



853 ninety-nine (99) years in the same manner as the original charter  
854 was secured; to adopt and use a corporate seal, which may be  
855 affixed by imprint, facsimile or otherwise; and to adopt and amend  
856 bylaws as provided in this chapter;

857 (b) To sue and be sued, complain and defend in any  
858 court of law or equity;

859 (c) To acquire, hold, sell, dispose of and convey real  
860 and personal estate incidental to its business as a thrift  
861 institution, to mortgage, pledge or lease real or personal estate,  
862 and to take property by gifts, devise or bequest, provided that  
863 such powers are consistent with the objects and powers granted by  
864 this chapter;

865 (d) An association may accept such savings accounts or  
866 other accounts as are authorized by its board of directors and  
867 approved by the general regulation of the commissioner not  
868 inconsistent with this chapter. The savings deposits may be  
869 evidenced by certificates of deposit, passbooks or such other  
870 evidence of deposit or account as the board of directors may  
871 prescribe. An association may pay interest on its deposits or  
872 other accounts from any sources available for such payment at such  
873 rate and at such times and for such time or notice periods as are  
874 determined by resolution of its board of directors within the  
875 limitation set by the commissioner. The board of directors shall  
876 determine by resolution the method of calculating the interest on  
877 deposits or other accounts and the time when and manner in which  
878 interest is to be paid or credited. Such methods shall comply  
879 with the regulations issued by the commissioner as to calculation  
880 and payment of interest;

881 (e) An association may borrow up to twenty-five percent  
882 (25%) of its savings liability and net worth for lending purposes;  
883 an association may borrow an additional twenty-five percent (25%)  
884 of its savings liability and net worth for the purpose of making  
885 loans guaranteed by the Federal Housing Administration, a private



886 mortgage guaranty insurance company licensed to do business in  
887 this state, or by the Veterans Administration; an association may  
888 borrow up to fifty percent (50%) of its savings liability and net  
889 worth to pay withdrawals. Borrowing of additional amounts for  
890 purchase or construction of a home office or branch office is  
891 authorized, but only with approval of the commissioner.

892 Subsequent reduction of savings liability and net worth shall not  
893 in any way affect outstanding obligations, but shall be reported  
894 to the commissioner and steps taken to comply within a reasonable  
895 time. The directors may pledge or authorize the officers to pledge  
896 any assets of the association to secure any loans herein

897 permitted. For the purpose of this paragraph, use of savings

898 accounts in the association shall not be considered borrowing;

899 (f) To sell without recourse any loan, including any  
900 participating interests therein, at any time; notwithstanding the  
901 limitations of this subsection, loans may be assigned for  
902 collateral purposes with recourse to any federal home loan bank of  
903 which the association is a member;

904 (g) To obtain and maintain insurance of its savings  
905 accounts with the Federal Deposit Insurance Corporation or an  
906 agency of this state established for the purpose of insuring  
907 savings accounts of associations organized under this chapter;

908 (h) To qualify as and become a member of a federal home  
909 loan bank;

910 (i) To appoint officers, agents and employees as its  
911 business shall require and to provide them suitable compensation;  
912 to provide for life, health and casualty insurance for officers  
913 and employees, and to adopt and operate reasonable bonus plans and  
914 retirement benefits for such officers and employees; and to  
915 provide for reimbursement and indemnification of its officers,  
916 employees and directors as prescribed or permitted in this act,  
917 whether by insurance or otherwise;



918           (j) To become a member of, deal with or make reasonable  
919 payments or contributions to any organization to the extent that  
920 such organization assists in furthering or facilitating the  
921 association's purposes, powers or community responsibilities, and  
922 to comply with any reasonable conditions of eligibility;

923           (k) To maintain and let safes, boxes or other  
924 receptacles for the safekeeping of personal property upon such  
925 terms and conditions as may be agreed upon;

926           (l) To sell money orders, travel checks and similar  
927 instruments drawn by it on its bank accounts or as agent for any  
928 organization empowered to sell such instruments through agents  
929 within this state;

930           (m) If and when an association is a member of a federal  
931 home loan bank, to act as fiscal agent of the United States, and,  
932 when so designated by the Secretary of the Treasury, to perform,  
933 under such regulations as he may prescribe, all such reasonable  
934 duties as fiscal agent of the United States as he may require;

935           (n) To service loans and investments for others;

936           (o) Upon application to and approval by the  
937 commissioner, to act as trustee, and to receive reasonable  
938 compensation for so acting, of any trust created or organized in  
939 the United States and forming part of a plan which qualifies for  
940 specific tax treatment under Section 401(d) of the Internal  
941 Revenue Code of 1954, including any Keogh or IRA plan, or any  
942 trust created or organized in the United States for the purpose of  
943 paying burial or cemetery expenses, if the funds of such trust are  
944 invested only in savings accounts or deposits in such association  
945 or in obligations or securities issued by such association. All  
946 funds held in such fiduciary capacity by any such association may  
947 be commingled for appropriate purposes of investment, but  
948 individual records shall be kept by the fiduciary for each  
949 participant and shall show in proper detail all transactions  
950 engaged in under the authority of this subsection;



951           (p) To acquire savings and pay earnings thereon, and to  
952 lend and invest its funds as provided in this chapter;

953           (q) To appoint a registered agent of the association  
954 upon whom any process, notice or demand required or permitted by  
955 law to be served on the association shall, if such agent is  
956 appointed, be served;

957           (r) To have and possess such of the rights, powers,  
958 privileges, immunities, duties and obligations of a federal  
959 savings and loan association located in this state as may be  
960 prescribed by the board by general regulation under the  
961 circumstances and conditions set out therein. In the event of a  
962 conflict between the provisions of this paragraph (r) and any  
963 other provision of this chapter, the provisions of this paragraph  
964 shall control;

965           (s) To act as agent for others in any transaction  
966 incidental to the operation of the association's business;

967           (t) To issue, sell or negotiate or advertise for the  
968 issuance and sale of debt securities to the extent authorized by  
969 the commissioner.

970           SECTION 25. Section 81-12-51, Mississippi Code of 1972, is  
971 reenacted as follows:

972           81-12-51. A capital stock savings and loan association  
973 (hereinafter referred to as a "capital stock association") shall  
974 have the powers enumerated in the preceding section, and shall  
975 have the following additional powers:

976           (a) Capital stock may be issued as follows:

977           (i) A capital stock association may issue the  
978 shares of stock authorized by its articles of incorporation and  
979 none other. Capital stock shall have the par value as stated in  
980 the articles of incorporation and, with the prior approval of the  
981 commissioner, may consist of common stock and preferred stock,  
982 which may be divided into classes and classes into series. Each  
983 kind, class and series may have such distinguishing



984 characteristics, including designations, preferences, or  
985 restrictions as regards dividends, redemption, voting powers or  
986 restrictions or qualifications of voting powers as are imposed in  
987 the articles of incorporation. Restrictions and qualifications of  
988 voting powers so imposed shall control in any case in which any  
989 vote or consent of stockholders is now or hereafter required by  
990 statute unless such statute shall expressly provide a voting  
991 procedure to the contrary.

992 (ii) With the prior approval of the commissioner,  
993 shares of preferred or special stock of any class may be divided  
994 by number from time to time into, and issued in, designated  
995 series. Such shares of preferred or special stock of any class or  
996 series thereof shall have such relative rights and preferences  
997 with regard to dividend rates, redemption rights, conversion  
998 privileges, voting powers and other distinguishing  
999 characteristics, as shall be stated and expressed with respect to  
1000 such class or series, either in the articles of incorporation or  
1001 in the resolution or resolutions providing for the issue of such  
1002 stock adopted by the board of directors of the corporation.

1003 (iii) Except for stock issued pursuant to a plan  
1004 of merger, consolidation or conversion from a mutual to a stock  
1005 association or other type of reorganization which has been  
1006 approved as provided herein, the consideration for the issuance of  
1007 voting capital stock, the par value of which shall be maintained  
1008 as the permanent capital of the association, except as otherwise  
1009 provided in subparagraph (a)(iv) of this section, shall be paid in  
1010 cash, and any excess shall be credited to paid-in surplus which  
1011 shall not be available for dividends or other distribution to  
1012 stockholders, except upon liquidation.

1013 (iv) Except as provided herein, the total of the  
1014 par values of all outstanding shares of voting capital stock shall  
1015 be the permanent capital of the association and shall not be  
1016 retired until final liquidation of the association.



1017 Notwithstanding the foregoing limitation, a capital stock  
1018 association may reduce its permanent capital through a reduction  
1019 of its outstanding voting capital stock pursuant to a plan adopted  
1020 by its board of directors, and approved by an affirmative vote of  
1021 a majority of the shares eligible to vote, and by an affirmative  
1022 vote of two-thirds (2/3) of those shares present and voting, in  
1023 person or by proxy, at an annual or special meeting of the  
1024 stockholders of the association. In the event approval of any  
1025 such plan for the reduction of stock as herein provided shall  
1026 result in fractional shares, the association may acquire such  
1027 fractional shares of its own stock by tender of payment of the  
1028 price per share prior to such reduction as stipulated in the plan.  
1029 Such tender may be made by bank check drawn upon association funds  
1030 payable to the record holders of such fractional shares and mailed  
1031 United States postage prepaid to such holders at the last address  
1032 of record with the association. Pursuant to such plan, a capital  
1033 stock association may purchase or redeem whole shares of its own  
1034 stock at the price per share stipulated in the plan upon written  
1035 assent of the holders thereof prior to such reduction. No plan  
1036 for the reduction of the permanent capital or outstanding voting  
1037 capital stock of an association shall be effective without first  
1038 obtaining the written consent of the commissioner.

1039 (v) Unless otherwise provided by the articles of  
1040 incorporation, every stockholder, upon the sale for cash of any  
1041 new stock of the same kind, class or series as that which he  
1042 already holds, shall have the right to purchase his pro rata share  
1043 thereof, as nearly as may be done without issuance of fractional  
1044 shares, at the price at which it is offered to others, which price  
1045 must be in excess of par.

1046 (vi) An association shall not make a loan secured  
1047 by the pledge of its capital stock.

1048 (vii) A capital stock association may sell any  
1049 authorized but unissued shares of capital stock for cash at a



1050 price which must be in excess of par. No incentive stock shall be  
1051 issued. Subject to the requirements of Section 81-12-51(a)(v), an  
1052 association may employ an agent to sell those shares of authorized  
1053 capital stock not necessary to meet the minimum capital and  
1054 paid-in surplus requirements of Section 81-12-37, provided that  
1055 the proposed agreement with the agent for the sale of such stock  
1056 is approved by the commissioner before the association enters into  
1057 such agreement.

1058 (b) No capital stock savings and loan association shall  
1059 declare or pay any dividend upon its common stock unless such  
1060 association has received written approval by the Commissioner of  
1061 Banking and Consumer Finance. Directors declaring a dividend in  
1062 violation of the provisions of this section shall be personally  
1063 liable to the full amount of the dividend so declared and it shall  
1064 be the duty of the commissioner, upon discovering the payment of  
1065 any such dividend, to forthwith make demand upon the directors  
1066 that the same be restored to the association, and upon their  
1067 failure so to do he shall cause suit to be brought against them in  
1068 the chancery court of the county in which the association is  
1069 located, either in his name or in the name of the association, to  
1070 recover the same for the benefit of the association.

1071 SECTION 26. Section 81-12-53, Mississippi Code of 1972, is  
1072 reenacted as follows:

1073 81-12-53. At an annual meeting or at any special meeting of  
1074 the members called to consider such action, any mutual association  
1075 as defined in this chapter may convert itself into a federal  
1076 mutual savings association or federal mutual savings and loan  
1077 association, hereinafter in this subsection called "federal  
1078 association," in accordance with the provisions of the laws of the  
1079 United States, as now or hereafter amended, upon an affirmative  
1080 vote of fifty-one percent (51%) or more of the total number of  
1081 votes of the members eligible to be cast. A copy of the minutes  
1082 of the proceedings of such meeting of the members, verified by the



1083 affidavit of the secretary or an assistant secretary, shall be  
1084 filed in the office of the commissioner within ten (10) days after  
1085 the date of such meeting. A sworn copy of the proceedings of such  
1086 meeting, when so filed, shall be presumptive evidence of the  
1087 holding and action of such meeting. Any member challenging the  
1088 accuracy of such minutes by sworn objection may appeal to the  
1089 commissioner. Within three (3) months after the date of such  
1090 meeting, the association shall take such action in the manner  
1091 prescribed and authorized by the laws of the United States as  
1092 shall make it a federal association. There shall be filed with  
1093 the commissioner a copy of the charter issued to such federal  
1094 association by the appropriate federal regulatory authority or a  
1095 certificate showing the organization of such association as a  
1096 federal association, certified by the secretary or assistant  
1097 secretary of the appropriate federal regulatory authority. A  
1098 similar copy of the charter, or of such certificate, shall be  
1099 filed by the association with the Secretary of State. No failure  
1100 to file any such instruments with either the commissioner or the  
1101 Secretary of State shall affect the validity of such conversion.  
1102 Upon the grant to any association of a charter by the appropriate  
1103 federal regulatory authority, the association receiving such  
1104 charter shall cease to be an association incorporated under this  
1105 chapter and shall no longer be subject to the supervision and  
1106 control of the commissioner. Upon the conversion of any  
1107 association into a federal association, the corporate existence of  
1108 such association shall not terminate, but such federal association  
1109 shall be deemed to be a continuation of the entity of the  
1110 association so converted and all property of the converted  
1111 association, including its rights, titles and interests in and to  
1112 all property of whatever kind, whether real, personal or mixed,  
1113 and things in action, and every right, privilege, interest and  
1114 asset then existing, or pertaining to it, or which may inure to  
1115 it, shall immediately by operation of law and without any



1116 conveyance or transfer and without any further act or deed remain  
1117 and be vested in and continue and be the property of such federal  
1118 association into which the association has converted itself, and  
1119 such federal association shall have, hold and enjoy the same in  
1120 its own right as fully and to the same extent as the same was  
1121 possessed, held and enjoyed by the converting association, and  
1122 such federal association, as of the time of the taking effect of  
1123 such conversion, shall continue to have and succeed to all the  
1124 rights, obligations and relations of the converting association.  
1125 All pending actions and other judicial proceedings to which the  
1126 converting association is a party shall not be deemed to have  
1127 abated or to have discontinued by reason of such conversion, but  
1128 may be prosecuted to final judgment, order or decree in the same  
1129 manner as if such conversion into such federal association had not  
1130 been made and such federal association resulting from such  
1131 conversion may continue such action in its corporate name as a  
1132 federal association, and any judgment, order or decree may be  
1133 rendered for or against it which might have been rendered for or  
1134 against the converting association theretofore involved in such  
1135 judicial proceedings. Any association or corporation which has  
1136 heretofore converted itself into a federal association under the  
1137 provisions of the laws of the United States and has received a  
1138 charter from the appropriate federal regulatory authority shall  
1139 hereafter be recognized as a federal association, and its federal  
1140 charter shall be given full recognition by the courts of this  
1141 state to the same extent as if such conversion had taken place  
1142 under the provisions of this section; however, there shall have  
1143 been compliance with the foregoing requirements with respect to  
1144 the filing with the commissioner of a copy of the federal charter  
1145 or a certificate showing the organization of such association as a  
1146 federal association.

1147 SECTION 27. Section 81-12-55, Mississippi Code of 1972, is  
1148 reenacted as follows:



1149           81-12-55. At an annual meeting or at any special meeting of  
1150 the members or stockholders called to consider such action, any  
1151 federal mutual or capital stock savings association or federal  
1152 mutual or capital stock savings and loan association, hereinafter  
1153 in this subsection called "federal association," may apply for  
1154 conversion into a state-chartered association under this chapter  
1155 upon an affirmative vote of fifty-one percent (51%) or more of the  
1156 total number of votes of the members eligible to be cast or an  
1157 affirmative vote of sixty-six and two-thirds percent (66-2/3%) or  
1158 more of all the issued and outstanding stock of such federal  
1159 association. Upon such affirmative vote, the federal association  
1160 may apply for a certificate of authority by filing with the  
1161 commissioner a certificate signed by its president or secretary  
1162 which sets forth the corporate action herein prescribed and  
1163 asserts that the institution has complied with the provisions of  
1164 the laws of the United States. The federal association shall also  
1165 file with the commissioner the plan of conversion and the proposed  
1166 amendments to its articles of association as approved by the  
1167 members or stockholders for the operation of the association as a  
1168 state-chartered association. Upon receipt of such application,  
1169 the commissioner shall examine all facts associated with the  
1170 conversion. The expenses and costs incurred for such special  
1171 examination shall be paid by the institution applying for  
1172 permission to convert. The commissioner shall present his  
1173 findings and recommendations to the State Board of Banking Review  
1174 for consideration. Upon approval by the State Board of Banking  
1175 Review, the commissioner shall issue a certificate of authority to  
1176 the applicant allowing the conversion to proceed.

1177           SECTION 28. Section 81-12-57, Mississippi Code of 1972, is  
1178 reenacted as follows:

1179           81-12-57. If the board of directors determines, and the  
1180 commissioner concurs, that substantial business benefit to the  
1181 association will or may result, and if federal law, regulations or



1182 administrative rulings authorize federal associations to convert  
1183 to capital stock associations, the voting members of a mutual  
1184 association organized pursuant to this chapter, or otherwise  
1185 subject to the provisions of this chapter or a federal mutual  
1186 savings or savings and loan association (hereinafter in this  
1187 subsection referred to as a "federal association") located in this  
1188 state may vote to convert the association into a total or partial  
1189 capital stock association by adopting a plan of conversion which  
1190 is approved by the commissioner.

1191 (a) The plan of conversion must be approved at a  
1192 meeting of voting members called to consider such action by an  
1193 affirmative vote of fifty-one percent (51%) or more of the total  
1194 number of votes eligible to be cast. The commissioner may approve  
1195 or disapprove the plan of conversion in his discretion, but he  
1196 shall not approve the plan unless he finds that the plan is fair  
1197 and equitable to members of the association and that the interests  
1198 of the savings account holders and the public are adequately  
1199 protected. Notice of the meeting, giving the time, place and  
1200 purpose thereof, together with a proxy statement and proxy form  
1201 approved by the commissioner, covering all matters to be brought  
1202 before the meeting, shall be mailed at least thirty (30) days  
1203 prior thereto to the commissioner and to each voting member at his  
1204 last address as shown on the books of the association. The notice  
1205 shall advise the savings account holders of their right to the  
1206 public hearing provided in Section 81-12-59.

1207 (b) Copies of the minutes of the meeting of members,  
1208 verified by the affidavit of the secretary or assistant secretary  
1209 of the association, shall be filed in the office of the department  
1210 and with the appropriate federal regulatory authority within a  
1211 reasonable time after the meeting. When so filed, the verified  
1212 copies of the minutes are presumptive evidence of the holding of  
1213 the meeting and of the action taken. Any member or stockholder



1214 challenging the accuracy of such minutes by sworn objection may  
1215 appeal to the commissioner.

1216 (c) The directors of the association shall execute and  
1217 file with the supervisory authority proposed articles of  
1218 incorporation as provided for in Section 81-12-25, together with  
1219 an application for conversion and a firm commitment for, or  
1220 evidence of, insurance of deposits and other accounts of a  
1221 withdrawable type. The articles shall contain a statement that  
1222 the corporation resulted from the conversion of a mutual or  
1223 federal association to a capital stock association. If approved  
1224 by the commissioner, he shall affix the same to the articles of  
1225 incorporation. An authenticated copy of the articles of  
1226 incorporation shall be filed with the Secretary of State and one  
1227 (1) copy of the articles of incorporation and the certificate of  
1228 incorporation shall be returned to the association. The  
1229 association shall cease to be a mutual association at the time and  
1230 on the date specified in the approved articles of incorporation.

1231 (d) All the provisions regarding property and other  
1232 rights contained in Section 81-12-53 shall apply to the conversion  
1233 of a mutual or federal association to a capital stock association,  
1234 so that the capital stock association shall be a continuation of  
1235 the corporate entity of the mutual or federal association and  
1236 continue to have all of its property and rights.

1237 SECTION 29. Section 81-12-59, Mississippi Code of 1972, is  
1238 reenacted as follows:

1239 81-12-59. With respect to a conversion arising under Section  
1240 81-12-57 above, the commissioner may hold a hearing upon the plan  
1241 of conversion. A hearing may be held by the commissioner on his  
1242 own motion or upon application of the converting association or  
1243 any member thereof and shall be held upon application by the  
1244 holders of five percent (5%) or more in amount of the  
1245 association's savings accounts. All persons to whom it is  
1246 proposed to issue capital stock in connection with the conversion



1247 may appear at any hearing, and notice of the time and place of the  
1248 hearing shall be given to all such persons in person or by mail at  
1249 least thirty (30) days before the hearing by the association.  
1250 Evidence satisfactory to the commissioner that the notice has been  
1251 given shall be submitted to the commissioner at least ten (10)  
1252 days prior to the hearing. Following the hearing, the  
1253 commissioner may approve the terms of the plan of conversion, may  
1254 reject the same or approve the same upon condition that portions  
1255 thereof may be modified. All costs to the state resulting from  
1256 conversions under this section shall be paid by the association  
1257 making application for conversion.

1258 SECTION 30. Section 81-12-61, Mississippi Code of 1972, is  
1259 reenacted as follows:

1260 81-12-61. (1) A capital stock association organized under  
1261 this chapter may vote to convert itself into a federal mutual or  
1262 capital stock savings or savings and loan association, hereinafter  
1263 in this subsection referred to as a "federal association," at any  
1264 legal meeting called to consider the action. The required  
1265 affirmative vote to effect the conversion shall be not less than  
1266 sixty-six and two-thirds percent (66-2/3%) of the issued and  
1267 outstanding stock of such association. Notice of the meeting  
1268 giving the time, place and purpose thereof, together with a proxy  
1269 statement and proxy form covering all matters properly brought  
1270 before the meeting shall be mailed at least thirty (30) days prior  
1271 thereto to the commissioner and the appropriate federal regulatory  
1272 authority and to each stockholder at his last address as shown on  
1273 the books of the association. A copy of the minutes of the  
1274 proceedings of the meeting, verified by the affidavit of the  
1275 secretary or an assistant secretary of the association, shall be  
1276 filed in the office of the commissioner within ten (10) days after  
1277 the date of the meeting. When filed, a verified copy of the  
1278 proceedings of the meeting is presumptive evidence of the holding  
1279 of the meeting and of the action taken. Any stockholder



1280 challenging the accuracy of such minutes by sworn objection may  
1281 appeal to the commissioner. Within three (3) months after the  
1282 date of the meeting, the association shall take such further  
1283 action, in the manner prescribed and authorized by the laws of the  
1284 United States, as shall make it a federal association. Three (3)  
1285 copies of the charter issued by the appropriate federal regulatory  
1286 authority, or three (3) copies of a certificate showing the  
1287 organization of the association as a federal association,  
1288 certified by the secretary or an assistant secretary of the  
1289 appropriate federal regulatory authority shall be filed with the  
1290 commissioner. Upon the payment of the fees prescribed by law, the  
1291 commissioner shall note the filing upon each of the copies and  
1292 shall retain one (1) copy in his office, file one (1) copy with  
1293 the Secretary of State, and return one (1) copy to the  
1294 association. The failure to file the instruments with the  
1295 commissioner shall not affect the validity of the conversion.  
1296 Upon the grant to any association of a charter by the appropriate  
1297 federal regulatory authority, the association shall cease to be an  
1298 association incorporated under this chapter and shall no longer be  
1299 subject to the supervision and control of the department. All  
1300 provisions regarding property and other rights contained in  
1301 Section 81-12-53 above apply to the conversion of a capital stock  
1302 association into a federal association.

1303 (2) (a) The plan of conversion must provide:

1304 (i) That each savings account holder of the mutual  
1305 association will receive a withdrawable account in the capital  
1306 stock association equal in amount to his withdrawable account in  
1307 the mutual association;

1308 (ii) That each savings account holder of record as  
1309 provided in paragraph (iii) will be entitled to receive voting  
1310 stock or rights to purchase voting stock in equal proportion to  
1311 the amount his account bears to all savings accounts;



1312                   (iii) That the record date fixed by the  
1313 commissioner for determining savings account holders is to be  
1314 used. During the month of January each year the commissioner  
1315 shall publish a record date which shall be used in determining the  
1316 respective interests of account holders. The date shall be not  
1317 more than eighteen (18) months prior to its publication;

1318                   (iv) That the business purpose to be accomplished  
1319 by the conversion is set forth with particularity;

1320                   (v) Such other information in such form as  
1321 required by the commissioner to enable him to determine whether  
1322 the plan is fair and equitable to members of the association and  
1323 that the interest of the savings account holders and the public is  
1324 adequately protected.

1325                   (b) A plan of conversion will not be considered unfair  
1326 or inequitable merely because it contains provisions which  
1327 provide:

1328                   (i) That shares of stock will be issued to savings  
1329 account holders with or without cost;

1330                   (ii) That shares of stock will be issued with cost  
1331 to all savings account holders and that no stock will be issued  
1332 without cost;

1333                   (iii) That savings account holders will or will  
1334 not have preemptive rights to all stock proposed to be issued;

1335                   (iv) That those persons who were savings account  
1336 holders during a particular number of years have preemptive rights  
1337 to purchase voting stock at the fair market value thereof;

1338                   (v) That employment contracts are provided for  
1339 officers and employees of the association;

1340                   (vi) That no more than ten percent (10%) of the  
1341 voting stock proposed to be issued pursuant to the plan of  
1342 conversion is reserved by the association for stock options for  
1343 officers and employees.



1344 SECTION 31. Section 81-12-63, Mississippi Code of 1972, is  
1345 reenacted as follows:

1346 81-12-63. No conversion of an association or a federal  
1347 association, direct or indirect, shall be permitted, except as  
1348 specifically authorized by this chapter, Section 81-14-101 or  
1349 Section 81-5-85.

1350 SECTION 32. Section 81-12-65, Mississippi Code of 1972, is  
1351 reenacted as follows:

1352 81-12-65. Pursuant to a plan adopted by the board of  
1353 directors and approved by the commissioner as equitable to the  
1354 members of the association and as not impairing the usefulness and  
1355 success of other properly conducted associations in the community  
1356 and serving the needs of the community, an association shall have  
1357 power to reorganize or to merge or consolidate with another  
1358 association or federal association within its primary lending  
1359 area, provided that the plan of such reorganization, merger or  
1360 consolidation shall be approved at an annual meeting or at any  
1361 special meeting of the members or stockholders called to consider  
1362 such action by an affirmative vote of fifty-one percent (51%) or  
1363 more of the total number of votes of the members or an affirmative  
1364 vote of sixty-six and two-thirds percent (66-2/3%) of those shares  
1365 of stock of such association voted, in person or by proxy. Any  
1366 such plan must set forth (a) the names of the associations  
1367 proposing to merge or consolidate and the name of the association  
1368 into which they propose to merge or consolidate, which is herein  
1369 designated as "the surviving association"; (b) the terms and  
1370 conditions of the proposed merger or consolidation and the mode of  
1371 carrying it into effect; (c) the manner and basis of converting  
1372 the savings accounts of each merging or consolidating association  
1373 into savings accounts of the surviving association; (d) the manner  
1374 and basis of the cancellation and issuance of the capital stock of  
1375 the merging and surviving associations; (e) a statement of any  
1376 changes in the articles of incorporation of the surviving



1377 association to be effected by the merger or consolidation; (f) a  
1378 statement of the contracts pertaining to the employment, or the  
1379 retention as consultant, of officers and directors of the merged  
1380 or consolidated association; and (g) such other provisions with  
1381 respect to the proposed merger or consolidation as are deemed  
1382 necessary or desirable by the boards of directors or the  
1383 commissioner. In all cases the corporate continuity of the  
1384 resulting corporation shall possess the same incidents as that of  
1385 an association which has converted in accordance with this  
1386 chapter. No association, directly or indirectly, shall  
1387 reorganize, merge, consolidate, or acquire substantially all of  
1388 the assets of or assume substantially all of the liabilities of  
1389 any financial institution or any other organization, person or  
1390 entity, except as specifically authorized by this chapter. The  
1391 charter of any association which does not survive a  
1392 reorganization, merger or consolidation shall be surrendered to  
1393 the commissioner and the Secretary of State on the effective date  
1394 of such reorganization, merger, or consolidation and promptly  
1395 cancelled by him.

1396 SECTION 33. Section 81-12-66, Mississippi Code of 1972, is  
1397 reenacted as follows:

1398 81-12-66. (1) Notwithstanding any other provision of law,  
1399 any stock savings association may simultaneously with its  
1400 incorporation or conversion to a stock savings association provide  
1401 for its ownership by a holding company. In the case of a  
1402 conversion, members of the converting savings association shall  
1403 have the right to purchase capital stock of the holding company in  
1404 lieu of capital stock of the converted savings association in  
1405 accordance with Section 81-12-61, Mississippi Code of 1972.

1406 (2) Notwithstanding any other provision of law, any stock  
1407 savings association may reorganize its ownership to provide for  
1408 ownership by a holding company, upon adoption of a plan of  
1409 reorganization by a favorable vote of not less than two-thirds



1410 (2/3) of the members of the board of directors of the savings  
1411 association and approval of such plan of reorganization by the  
1412 holders of not less than a majority of the issued and outstanding  
1413 shares of stock of the savings association. The plan of  
1414 reorganization shall provide that (a) the resulting ownership  
1415 shall be vested in a Mississippi corporation; (b) all stockholders  
1416 of the stock savings association shall have the right to exchange  
1417 shares; (c) the exchange of stock shall not be subject to state or  
1418 federal income taxation; (d) stockholders not wishing to exchange  
1419 shares shall be entitled to dissenters' rights as provided under  
1420 Section 79-4-13.01 et seq., Mississippi Code of 1972; and (e) the  
1421 plan of reorganization is fair and equitable to all stockholders.

1422 SECTION 34. Section 81-12-67, Mississippi Code of 1972, is  
1423 reenacted as follows:

1424 81-12-67. (1) In any case in which a person or group of  
1425 persons propose to purchase or acquire voting stock of any capital  
1426 stock association, which purchase or acquisition would cause such  
1427 person or group of persons to have control, as defined in  
1428 subsection (3) of this section, of the association, such person or  
1429 group of persons shall first make application to the commissioner  
1430 for a certificate of approval of such purchase or acquisition.  
1431 The application shall contain the name and address of the proposed  
1432 new owner or owners of voting stock, and the commissioner shall  
1433 issue the certificate of approval only after he has become  
1434 satisfied, by a hearing or otherwise, that the proposed new owner  
1435 or owners of voting stock are qualified by character, experience  
1436 and financial responsibility to control the association in a legal  
1437 and proper manner and that the interest of the stockholders,  
1438 depositors and creditors of the association and the interest of  
1439 the public generally will not be jeopardized by the proposed  
1440 purchase or acquisition of voting stock.

1441 (2) As used in this section, unless the context otherwise  
1442 requires:



1443           (a) "Business organization" or "company" means any  
1444 corporation, partnership, trust, joint stock company or similar  
1445 organization, but does not include any company the majority of the  
1446 stock of which is owned by the United States or this state, by an  
1447 officer of the United States or this state in his official  
1448 capacity, or by an instrumentality of the United States or this  
1449 state.

1450           (b) "Savings and loan holding company" means any  
1451 company which directly or indirectly controls an association or  
1452 controls any other company which is a savings and loan holding  
1453 company by virtue of this section.

1454           (c) "Person" means an individual or company.

1455           (d) "Subsidiary" of a person means any company which is  
1456 controlled by such person or by a company which is a subsidiary of  
1457 such person by virtue of this section.

1458           (3) For purposes of this section, a business organization  
1459 shall be deemed to have control of an association or any other  
1460 business organization if the business organization:

1461           (a) Directly or indirectly, or acting in concert with  
1462 one or more persons or through one or more subsidiaries, owns,  
1463 controls, holds with powers to vote, or holds proxies  
1464 representing, more than twenty-five percent (25%) of the voting  
1465 stock of such association or other business organization;

1466           (b) Controls in any manner the election of a majority  
1467 of the directors of such association or other business  
1468 organization;

1469           (c) Exercises a controlling influence over the  
1470 management or policies of such association or other business  
1471 organization.

1472           (4) The following restrictions shall apply to ownership or  
1473 control of associations in this state:

1474           (a) Unless organized pursuant to the laws of this  
1475 state, and not controlled by a business organization organized



1476 under the laws of another jurisdiction, no business organization  
1477 shall either directly or indirectly control any association  
1478 located in this state.

1479 (b) No business organization shall acquire control of a  
1480 capital stock association located in this state without first  
1481 obtaining the prior written approval of the commissioner. Prior  
1482 to such acquisition, such business organization shall file an  
1483 application with the commissioner containing such information as  
1484 the commissioner may require and as will aid in determining that  
1485 the acquisition will not be detrimental to the public interest.

1486 (5) Each savings and loan holding company and each  
1487 subsidiary thereof shall file such reports as the commissioner may  
1488 require from time to time or as required by this chapter. Each  
1489 savings and loan holding company and each subsidiary thereof shall  
1490 be subject to such examination as the commissioner shall prescribe  
1491 or as required by this chapter. The cost of such examinations  
1492 shall be assessed against such holding company and paid to the  
1493 State Treasurer to the credit of the department.

1494 SECTION 35. Section 81-12-69, Mississippi Code of 1972, is  
1495 reenacted as follows:

1496 81-12-69. (1) Subject to the limitations of Section  
1497 81-12-65 of this chapter, any association may, at any special  
1498 meeting of the members or stockholders called to consider such  
1499 action, terminate its existence in accordance with the provisions  
1500 of this section upon an affirmative vote of fifty-one percent  
1501 (51%) or more of the total number of votes of members, in the case  
1502 of a mutual association, or an affirmative vote of sixty-six and  
1503 two-thirds percent (66-2/3%) of all the issued and outstanding  
1504 stock, in the case of a capital stock association.

1505 (2) Upon such vote, five (5) copies of a certificate of  
1506 dissolution, which shall state the vote cast in favor of  
1507 dissolution, shall be signed by two (2) officers and acknowledged  
1508 before an officer competent to take acknowledgments of deeds. Five



1509 (5) copies of such certificate shall be filed with the  
1510 commissioner, who shall examine such association, and, if he finds  
1511 that it is not in an impaired condition, shall so note, together  
1512 with his approval of such dissolution, upon all the copies of the  
1513 certificate of dissolution. The commissioner shall place a copy  
1514 in the permanent files in his office, file a copy with the  
1515 Secretary of State, and return the remaining copies to the parties  
1516 filing the same.

1517 (3) Upon such approval, the association shall be dissolved  
1518 and shall cease to carry on business but nevertheless shall  
1519 continue as a corporate entity for the sole purpose of paying,  
1520 satisfying and discharging existing liabilities and obligations,  
1521 collecting and distributing assets, and doing all acts required to  
1522 adjust, wind up and dissolve its business and affairs.

1523 (4) The board of directors shall act as trustees for  
1524 liquidation as provided in this section. They shall proceed as  
1525 quickly as may be practicable to wind up the affairs of the  
1526 association and, to the extent necessary or expedient to that end,  
1527 shall exercise all the powers of such dissolved association and,  
1528 without prejudice to the generality of such authority, may fill  
1529 vacancies, elect officers, carry out the contracts, make new  
1530 contracts, borrow money, mortgage or pledge the property, sell its  
1531 assets at public or private sale, or compromise claims in favor of  
1532 or against the association, apply assets to the discharge of  
1533 liabilities, distribute assets either in cash or in kind among  
1534 savings account members or savings account holders according to  
1535 their respective pro rata interests after paying or adequately  
1536 providing for the payment of other liabilities, distribute assets  
1537 either in cash or in kind among stockholders, and perform all acts  
1538 necessary or expedient to the winding up of the association.  
1539 Provided, however, that upon liquidation, savings account holders  
1540 shall be first paid the value of their accounts, if such funds are  
1541 available, before any sums are paid to the stockholders. All



1542 deeds or other instruments shall be in the name of the association  
1543 and executed by the president or a vice president and the  
1544 secretary or an assistant secretary. The board of directors shall  
1545 also have power to exchange or otherwise dispose of or to put in  
1546 trust all or substantially all or any part of the assets, upon  
1547 such terms and conditions and for such considerations, which may  
1548 be money, stock, bonds, shares or accounts of any insured  
1549 association, or of any federal association, or other instruments  
1550 for the payment of money, or other property, or other  
1551 considerations, as the board of directors may deem reasonable or  
1552 expedient, and may distribute such considerations or the proceeds  
1553 thereof, or trust receipts, or certificates of beneficial interest  
1554 among the savings account members or savings account holders in  
1555 proportion to their pro rata interests therein.

1556 (5) The association, during the liquidation of the assets of  
1557 the association by the board of directors, shall continue to be  
1558 subject to the supervision of the commissioner, and the board of  
1559 directors shall report the progress of such liquidation to the  
1560 commissioner from time to time as he may require. Upon completion  
1561 of liquidation, the board of directors shall file with the  
1562 commissioner a final report and accounting of such liquidation and  
1563 shall surrender the charter of the association. If such report is  
1564 approved, the commissioner shall promptly cancel said charter.  
1565 The approval of such report by the commissioner shall operate as a  
1566 discharge of the board of directors and each member thereof in  
1567 connection with the liquidation of such association. No such  
1568 dissolution or any action of the board of directors in connection  
1569 therewith shall impair any contract right between such association  
1570 and any borrower or other person or persons or the vested rights  
1571 of any member or savings account holder of such association.

1572 SECTION 36. Section 81-12-71, Mississippi Code of 1972, is  
1573 reenacted as follows:



1574           81-12-71. (1) An annual meeting of the members of each  
1575 mutual association shall be held as fixed in the bylaws of such  
1576 association. Special meetings may be called as provided in the  
1577 bylaws.

1578           (2) The members who shall be entitled to vote at any meeting  
1579 of the members shall be those who are members of record at the end  
1580 of the calendar month next preceding the date of the meeting of  
1581 members, except those who have ceased to be members. The number  
1582 of votes which members shall be entitled to cast shall be in  
1583 accordance with the books on the said date determinative of  
1584 entitlement to vote.

1585           (3) In the determination of all questions requiring action  
1586 by the members, each member shall be entitled to cast one (1)  
1587 vote, plus an additional vote for each One Hundred Dollars  
1588 (\$100.00) or fraction thereof of the withdrawal value of savings  
1589 accounts, if any, held by such member. No member, however, shall  
1590 cast more than four hundred (400) votes.

1591           (4) Voting by proxy at a meeting shall be permitted as set  
1592 forth in the bylaws of the association. Constitution of a quorum  
1593 shall be set forth in the bylaws of the association.

1594           SECTION 37. Section 81-12-73, Mississippi Code of 1972, is  
1595 reenacted as follows:

1596           81-12-73. (1) An annual meeting of stockholders of capital  
1597 stock associations shall be held as fixed in the bylaws of the  
1598 association. Whenever the provisions of this chapter, the  
1599 articles of incorporation, or the bylaws require or authorize the  
1600 stockholders to take any action at an annual or special meeting, a  
1601 notice of such meeting, signed by the secretary or other officer  
1602 permitted by the bylaws, shall be mailed to each stockholder  
1603 entitled to vote at such meeting, at his address as it appears on  
1604 the records of the corporation, not less than ten (10) nor more  
1605 than sixty (60) days before the date set for such meeting. The  
1606 articles of incorporation or bylaws may require that such notice



1607 also be published in one or more newspapers. The notice shall  
1608 state the purpose of the meeting, a general statement of the  
1609 business to be transacted, and the time and place it is to be  
1610 held. Such notice shall be sufficient for said meeting and any  
1611 adjournment thereof unless otherwise provided in the articles of  
1612 incorporation or bylaws. If any stockholder shall transfer any of  
1613 his stock after notice, it shall not be necessary to notify the  
1614 transferee. Such meetings shall be held within the state and  
1615 within the county in which the home office of the association is  
1616 located. Any stockholder may waive notice of any meeting either  
1617 before, at or after the meeting.

1618 (2) Unless otherwise provided in the articles of  
1619 incorporation, every such stockholder shall be entitled at such  
1620 meeting, and upon each proposal presented at such meeting, to one  
1621 (1) vote for each share of voting stock recorded in his name on  
1622 the books of the corporation on the record date fixed as above  
1623 provided or, if no such record date was fixed, on the day of  
1624 meeting. The books of record of stockholders shall be produced at  
1625 any stockholders' meeting upon the request of any stockholder.

1626 (3) The stockholders record date and voting by proxy at any  
1627 meeting shall be established and permitted, respectively, as set  
1628 forth in the bylaws of the association. Constitution of a quorum  
1629 shall be set forth in the bylaws of the association.

1630 SECTION 38. Section 81-12-75, Mississippi Code of 1972, is  
1631 reenacted as follows:

1632 81-12-75. An association shall not directly or indirectly  
1633 charge any membership, admission, withdrawal or any other fee or  
1634 sum of money for the privilege of becoming, remaining or ceasing  
1635 to be a member or savings account holder of the association.

1636 SECTION 39. Section 81-12-77, Mississippi Code of 1972, is  
1637 reenacted as follows:

1638 81-12-77. (1) Every member, savings account holder or  
1639 borrower shall have the right to inspect the books and records of



1640 an association as pertain to his loan or savings account.  
1641 Otherwise, the right of inspection and examination of the books  
1642 and records shall be limited (a) to the commissioner or his duly  
1643 authorized representatives as provided in this chapter, (b) to  
1644 persons duly authorized to act for the association, (c) officers  
1645 and directors of the association, and (d) to any federal or state  
1646 instrumentality or agency authorized to inspect or examine the  
1647 books and records of an insured association. The books and  
1648 records pertaining to the accounts and loans of members, savings  
1649 account holders, and borrowers shall be kept confidential by the  
1650 association, its directors, officers and employees, and by the  
1651 commissioner, his examiners and representatives, except where the  
1652 disclosure thereof shall be compelled by a court of competent  
1653 jurisdiction, and no member or any other person shall have access  
1654 to the books and records or shall be furnished or shall possess a  
1655 partial or complete list of the members, savings account holders,  
1656 or borrowers except upon express action and authority of the board  
1657 of directors. This shall in no way be construed to prevent the  
1658 commissioner from performing his duties under this chapter in any  
1659 form permitted by law.

1660 (2) In the event, however, that any member or members desire  
1661 to communicate with the other members of the association with  
1662 reference to any question pending or to be presented for  
1663 consideration at a meeting of the members, the association shall  
1664 furnish upon request a statement of the approximate number of  
1665 members of the association at the time of such request, and an  
1666 estimate of the cost of forwarding such communication. The  
1667 requesting member or members shall then submit the communication,  
1668 together with a sworn statement that the proposed communication is  
1669 not for any reason other than the business welfare of the  
1670 association, to the commissioner who, if he finds it to be  
1671 appropriate, truthful and in the best interests of the association  
1672 and its members, shall execute a certificate setting out such



1673 findings, forward the certificate together with the communication,  
1674 which may be sealed and its contents protected, to the  
1675 association, and direct that the communication be prepared and  
1676 mailed by the association to the members upon the requesting  
1677 member's or members' payment to it of the expense of such  
1678 preparation and mailing. If the commissioner finds such proposed  
1679 communication to be inappropriate, untruthful or contrary to the  
1680 best interests of the association and its members, he shall have  
1681 the discretion to make any disposition of the request to  
1682 communicate which he deems proper and he shall execute a  
1683 certificate setting out such findings and deliver it to the  
1684 requesting member together with his order making disposition of  
1685 the request.

1686 SECTION 40. Section 81-12-79, Mississippi Code of 1972, is  
1687 reenacted as follows:

1688 81-12-79. The commissioner shall call upon each association  
1689 for the reports required in this section. Such calls shall be  
1690 made by the commissioner in writing by letter or other similar  
1691 means of written communications for the same dates and as often as  
1692 calls are issued by the appropriate federal regulating authority  
1693 for reports from federal associations. The commissioner shall  
1694 prescribe the forms for such reports. The reports shall be sworn  
1695 to by either the president, vice-president or cashier of the  
1696 association making them, attested by not less than two (2) of the  
1697 board of directors, and shall exhibit in detail, under appropriate  
1698 heads, the total resources and total liabilities of the  
1699 association on the day specified by the commissioner.

1700 Associations shall transmit to the department such call reports  
1701 within a time limitation established by regulation by the  
1702 commissioner; however, such time limitation cannot exceed that set  
1703 by the Federal Deposit Insurance Corporation for state insured  
1704 associations. For any failure or delay in furnishing this report,  
1705 the president, vice-president or cashier of any such association,



1706 so in default, and the members of the board of directors of the  
1707 association refusing to attest the report, shall be subject to an  
1708 administrative fine, which may be imposed by the commissioner, of  
1709 Fifty Dollars (\$50.00) a day for each day while in such default.

1710 SECTION 41. Section 81-12-81, Mississippi Code of 1972, is  
1711 reenacted as follows:

1712 81-12-81. (1) The business of the mutual association shall  
1713 be directed by a board of directors of not less than five (5) nor  
1714 more than fifteen (15) as determined by, and elected by, ballot  
1715 from among the members by a plurality of the votes of the members  
1716 present or voting by proxy. At all times at least two-thirds  
1717 (2/3) of the directors shall be bona fide residents of this state.

1718 (2) In order to qualify as a director, a member of an  
1719 association must hold individually, or jointly with his spouse, a  
1720 savings account, the withdrawal value of which is at least Five  
1721 Hundred Dollars (\$500.00); provided that if the assets of the  
1722 association exceed Five Million Dollars (\$5,000,000.00), the  
1723 withdrawal value of such account must be at least One Thousand  
1724 Dollars (\$1,000.00). No member shall be eligible for election or  
1725 shall serve as a director or officer of an association who has  
1726 been convicted of a criminal offense involving dishonesty or a  
1727 breach of trust. A director shall cease to be a director when he  
1728 ceases to be a member, or when he is adjudicated a bankrupt or is  
1729 convicted of a criminal offense as herein provided, or when the  
1730 net equity above loans of all savings accounts in the association  
1731 held by him aggregates for a period of thirty (30) consecutive  
1732 days less than the minimum required to be eligible for election as  
1733 a director, but no action of the board of directors shall be  
1734 invalidated through the participation of such director in such  
1735 action unless the vote of such director be challenged prior to  
1736 such action; provided that if a director becomes ineligible under  
1737 the terms of this subsection by reason of the exercise by the  
1738 association of the right of redemption of savings accounts



1739 provided for in Section 81-12-153 he shall remain validly in  
1740 office until the expiration of his term or until he otherwise  
1741 becomes ineligible, resigns or is removed, whichever may occur  
1742 first.

1743 (3) Directors shall be classified as set forth in the bylaws  
1744 of the association.

1745 (4) The authorized number of directors determined by the  
1746 members within the limits hereinabove specified may subsequently  
1747 be increased or decreased only by vote of the members.

1748 (5) Each director, upon assuming office, shall take an oath  
1749 that he will, so far as the duty devolves on him, diligently and  
1750 honestly administer the affairs of the association and will not  
1751 knowingly violate or permit to be violated, any of the provisions  
1752 of this chapter, and a written copy of such oath shall be filed  
1753 with the commissioner.

1754 (6) If the members fail to elect a director to fill each  
1755 vacancy created by any such increase, the directors may fill such  
1756 vacancy by electing a director to serve until the next annual  
1757 meeting of the members, at which time a director shall be elected  
1758 to fill the vacancy for the unexpired term of the class of  
1759 director in which such vacancy exists.

1760 (7) Whenever under the provisions hereof the number of  
1761 directors is changed and vacancies caused by such change are  
1762 filled, the directors so elected shall be classified in accordance  
1763 with the provisions of the bylaws of the association.

1764 (8) Any vacancy among directors, not so filled by the  
1765 members, may be filled by a majority vote of the remaining  
1766 directors, though less than a quorum, by electing a director to  
1767 serve until the next annual meeting of the members, at which time  
1768 a director shall be elected to fill the vacancy for the unexpired  
1769 term for the class of director in which such vacancy exists. In  
1770 event of a vacancy on the board of directors from any cause, the  
1771 remaining directors shall have full power and authority to



1772 continue direction of the association until such vacancy is  
1773 filled.

1774 SECTION 42. Section 81-12-83, Mississippi Code of 1972, is  
1775 reenacted as follows:

1776 81-12-83. (1) The business of a capital stock association  
1777 shall be managed and its powers exercised by a board of directors.  
1778 The board shall consist of not less than five (5) adult natural  
1779 persons who shall be elected at the annual meeting of stockholders  
1780 in the following manner:

1781 At each election for directors every shareholder entitled to  
1782 vote at such election shall have the right to vote, in person or  
1783 by proxy, the number of shares owned by him for as many persons as  
1784 there are directors to be elected and for whose election he has a  
1785 right to vote.

1786 (2) The term of office of the directors shall be for one (1)  
1787 year; provided that when the board of directors shall consist of  
1788 nine (9) or more members, in lieu of electing the whole number of  
1789 directors annually, the articles of incorporation may provide that  
1790 the directors be divided into either two (2) or three (3) classes,  
1791 each class to be as nearly equal in number as possible, the term  
1792 of office of directors of the first class to expire at the first  
1793 annual meeting of the shareholders after their election; that of  
1794 the second class to expire at the second annual meeting after  
1795 their election; and that of the third class, if any, to expire at  
1796 the third annual meeting after their election. At each annual  
1797 meeting after such classification, the number of directors equal  
1798 to the number of the class whose term expires at the time of such  
1799 meeting shall be elected to hold office until the second  
1800 succeeding annual meeting, if there be two (2) classes, or until  
1801 the third succeeding annual meeting, if there be three (3)  
1802 classes. No classification of directors shall be effective prior  
1803 to the first annual meeting of shareholders.



1804           (3) Every director must, during his whole term of service,  
1805 be a citizen of the United States, and at least three-fifths (3/5)  
1806 of the directors must have resided in this state for at least one  
1807 (1) year preceding their election and must be residents therein  
1808 during their continuance in office. No person shall be eligible  
1809 for election or shall serve as a director or officer of a capital  
1810 stock association who has been convicted of a criminal offense. A  
1811 director or officer shall automatically cease to be a director  
1812 when he is adjudicated a bankrupt or convicted of a criminal  
1813 offense. However, no action of the board of directors shall be  
1814 invalidated through the participation of such director in such  
1815 action unless challenge is made to such director's vote prior to  
1816 such action. Each director shall, in his own name, own capital  
1817 stock in, or have a deposit relationship with, the association on  
1818 an unencumbered basis as follows:

1819           (a) For stock associations under Fifty Million Dollars  
1820 (\$50,000,000.00) in assets, stock ownership in the institution or  
1821 its holding company of Two Thousand Five Hundred Dollars  
1822 (\$2,500.00) in market value at time of purchase; or

1823           (b) For mutual associations under Fifty Million Dollars  
1824 (\$50,000,000.00) in assets, a Two Thousand Five Hundred Dollar  
1825 (\$2,500.00) deposit relationship; or

1826           (c) For stock associations over Fifty Million Dollars  
1827 (\$50,000,000.00) in assets, stock ownership in the institution or  
1828 its holding company of Five Thousand Dollars (\$5,000.00) in market  
1829 value at the time of purchase; or

1830           (d) For mutual associations over Fifty Million Dollars  
1831 (\$50,000,000.00) in assets a Five Thousand Dollar (\$5,000.00)  
1832 deposit relationship.

1833           For associations that cross the Fifty Million Dollar  
1834 (\$50,000,000.00) threshold, the commissioner shall allow a  
1835 reasonable period for the directors to comply with the ownership  
1836 interest requirement.



1837           (4) Each director, upon assuming office, shall take an oath  
1838 that he will, so far as the duty devolves on him, diligently and  
1839 honestly administer the affairs of such capital stock association  
1840 and will not knowingly violate or permit to be violated, any of  
1841 the provisions of this chapter, and a written copy of such oath  
1842 shall be filed with the commissioner.

1843           (5) The board of directors of each capital stock association  
1844 shall hold meetings as set forth in the bylaws of the association.

1845           (6) Vacancies on the board of directors may be filled at a  
1846 meeting by the stockholders called for that purpose.

1847           SECTION 43. Section 81-12-85, Mississippi Code of 1972, is  
1848 reenacted as follows:

1849           81-12-85. Each association shall provide and maintain a  
1850 fidelity bond covering its officers, attorneys, employees, agents  
1851 and directors when performing the duties of officers or employees,  
1852 in the form and amount required by the commissioner, but in no  
1853 event less than One Hundred Thousand Dollars (\$100,000.00). No  
1854 bond coverage will be required of any agent which is a financial  
1855 institution insured by the Federal Deposit Insurance Corporation.  
1856 Such bonds shall provide that a cancellation thereof either by the  
1857 surety or by the insured shall not become effective unless and  
1858 until thirty (30) days' notice in writing first shall have been  
1859 given to the commissioner, unless he shall have approved such  
1860 cancellation earlier.

1861           SECTION 44. Section 81-12-87, Mississippi Code of 1972, is  
1862 reenacted as follows:

1863           81-12-87. Directors and officers occupy a fiduciary  
1864 relationship to the association of which they are directors or  
1865 officers, and no director or officer shall engage or participate,  
1866 directly or indirectly, in any business or transaction conducted  
1867 on behalf of or involving the association, which would result in a  
1868 conflict of his own personal interests with those of the  
1869 association which he serves. Without limitation by any of the



1870 specific provisions of any of the subsections hereof, the  
1871 commissioner may require the disclosure by directors, officers and  
1872 employees of any personal interest, directly or indirectly, in any  
1873 business or transactions on behalf of or involving the association  
1874 and of their control of or active participation in enterprises  
1875 having activities related to the business of the association. The  
1876 following restrictions governing the conduct of directors and  
1877 officers expressly are specified, but such specification is not to  
1878 be construed in any manner as excusing such persons from the  
1879 observance of any other aspect of the general fiduciary duty owed  
1880 by them to the association which they serve:

1881           (a) From and after January 1, 1979, no officer or  
1882 director of an association shall hold office as a director or  
1883 officer of another thrift institution the principal office of  
1884 which is located in the association's primary lending area.

1885           (b) No director of an association shall receive  
1886 remuneration as director except reasonable fees for service as a  
1887 director or for service as a member of a committee of directors,  
1888 except that nothing herein contained shall be deemed to prohibit  
1889 or in any way to limit any right of a director who is also an  
1890 officer or employee of or attorney for the association to receive  
1891 compensation for service as an officer, employee or attorney.

1892           (c) Loans aggregating fifteen percent (15%) of the  
1893 unimpaired capital and unimpaired surplus may be made by any  
1894 association to any director or executive officer thereof, as  
1895 defined in Regulation O promulgated by the Board of Governors of  
1896 the Federal Reserve System, less existing direct and indirect  
1897 liabilities thereto, upon affirmative approval of a majority of  
1898 all directors spread on the minutes of a directors' meeting held  
1899 before such loan is made, provided, such loan is made on  
1900 substantially the same terms and conditions extended to other  
1901 borrowers for comparable transactions. Any association may lend  
1902 to any such director or executive officer thereof, upon



1903 affirmative approval of a majority of all directors spread on the  
1904 minutes of a directors' meeting held before such loan is made, not  
1905 more than twenty percent (20%) of the unimpaired capital and  
1906 unimpaired surplus of the association, less the amount of existing  
1907 direct and indirect liabilities, when secured; or when the portion  
1908 thereof in excess of any amount loaned under the first provision  
1909 hereof is secured by obligations of the United States Government,  
1910 the State of Mississippi, and the levee districts, counties, road  
1911 districts, school districts, and municipalities of the State of  
1912 Mississippi, obligations of any other state of the United States  
1913 and other bonds of recognized character and standing, which are  
1914 the subject of daily newspaper market quotations, provided such  
1915 loan shall not exceed eighty percent (80%) of the market or par  
1916 value (whichever is less) of the bonds or obligations offered as  
1917 security. Any association may lend to any executive officer or  
1918 director thereof upon affirmative approval of a majority of all  
1919 directors spread on the minutes of a directors' meeting held  
1920 before such loan is made, such amount as is safe and proper, when  
1921 secured by warehouse receipts or shippers' order bills of lading  
1922 representing actual existing values, provided the amount loaned  
1923 shall not exceed eighty percent (80%) of the market value of the  
1924 commodities representing the actual existing values, and loans of  
1925 this nature shall be made payable on demand so that the security  
1926 held therefor may be sold on any date and the proceeds thereof  
1927 applied to the payment of the loan. However, an association's  
1928 board of directors may, as shown in its minutes, give to an  
1929 association officer the authority to make secured or unsecured  
1930 loans to an executive officer or director of such association,  
1931 without receiving the board's prior approval, in an amount that,  
1932 when aggregated with the amount of all other extensions of credit  
1933 to that person and to all related interests of that person, does  
1934 not exceed the greater of Twenty-five Thousand Dollars



1935 (\$25,000.00) or five percent (5%) of the associations's unimpaired  
1936 capital and unimpaired surplus.

1937           However, no association shall extend credit to any director  
1938 or executive officer thereof, in an amount that, when aggregated  
1939 with all other extensions of credit to that person and to all  
1940 related interests of that person, exceeds Five Hundred Thousand  
1941 Dollars (\$500,000.00) without documented prior affirmative  
1942 approval of a majority of its directors.

1943           Loans and discounts by an association to a director or  
1944 executive officer thereof secured in full by funds on deposit in  
1945 time or savings accounts with the lending association to the  
1946 credit of the borrower shall not be restricted to the fifteen  
1947 percent (15%) or twenty percent (20%) limitations herein  
1948 prescribed.

1949           The limitations of this section shall not apply where an  
1950 executive officer or director shall bona fide purchase from the  
1951 association at a reasonable price real or personal property  
1952 acquired by the association in payment of debts due the  
1953 association, provided such transactions are approved by a majority  
1954 of the board of directors, such approval to be shown in their  
1955 minutes; and, in cases where loans are made by branch offices, the  
1956 sum total of loans made by any branch or branches and its parent  
1957 association to such executive officer or director shall be  
1958 computed as against the total capital stock and surplus of the  
1959 parent association and its branch or branches. Loans heretofore  
1960 made to executive officers or directors may be renewed or extended  
1961 if in accord with sound banking practice.

1962           (d) No director or officer shall have any interest,  
1963 directly or indirectly, in the proceeds of a loan or investment or  
1964 of a purchase or sale made by the association, unless such loan,  
1965 investment, purchase or sale is authorized expressly by resolution  
1966 of the board of directors, and unless such resolution is approved  
1967 by vote of at least two-thirds (2/3) of the directors authorized



1968 by the association, any interested director taking no part in such  
1969 vote.

1970 (e) No director or officer shall have any interest,  
1971 directly or indirectly, in the purchase at less than its face  
1972 value of any evidence of a savings account, deposit or other  
1973 indebtedness issued by the association.

1974 (f) No director, association or officer thereof shall  
1975 require, as a condition to the granting of any loan or the  
1976 extension of any other service by the association, that the  
1977 borrower or any other person undertake a contract of insurance or  
1978 any other agreement, or understanding with respect to the  
1979 furnishing of any other goods or services, with any specific  
1980 company, agency or individual.

1981 (g) No officer or director acting as proxy for a member  
1982 or stockholder of record of an association shall exercise,  
1983 transfer or delegate such vote or votes in any consideration of a  
1984 private benefit or advantage, direct or indirect, accruing to  
1985 himself, nor shall he surrender control or pass his office to any  
1986 other for any consideration of a private benefit or advantage,  
1987 direct or indirect. The voting rights of members, stockholders  
1988 and directors shall not be subject to sale, barter, exchange or  
1989 similar transaction, either directly or indirectly. Any officer  
1990 or director who violates the provisions of this section shall be  
1991 held accountable to the association for any increment and subject  
1992 to the criminal penalty below.

1993 (h) No director or officer shall solicit, accept or  
1994 agree to accept, directly or indirectly, from any person other  
1995 than the association any gratuity, compensation or other personal  
1996 benefit for any action taken by the association or for endeavoring  
1997 to procure any such action.

1998 (i) Any violation of the provisions of this section  
1999 shall be punishable by not more than five (5) years' imprisonment  
2000 or a fine of not more than Five Thousand Dollars (\$5,000.00).



2001 SECTION 45. Section 81-12-89, Mississippi Code of 1972, is  
2002 reenacted as follows:

2003 81-12-89. No association shall deposit any of its funds,  
2004 except with a depository approved by a vote of a majority of the  
2005 directors authorized by the association, any director who is an  
2006 officer, partner, director, or trustee of the depository so  
2007 designated taking no part in such vote.

2008 SECTION 46. Section 81-12-91, Mississippi Code of 1972, is  
2009 reenacted as follows:

2010 81-12-91. Any person may be indemnified or reimbursed by the  
2011 association for reasonable expenses, including, but not limited  
2012 to, attorney's fees actually incurred by him in connection with  
2013 any action, suit or proceeding, instituted or threatened, judicial  
2014 or administrative, civil or criminal, to which he is made a party  
2015 by reason of his being or having been a director, officer or  
2016 employee of an association; however, no person shall be so  
2017 indemnified or reimbursed, nor shall he retain any advancement or  
2018 allowance for indemnification which may have been made by the  
2019 association in advance of final disposition, in relation to such  
2020 action, suit or proceeding in which and to the extent that he  
2021 finally shall be adjudicated to have been guilty of a breach of  
2022 good faith, to have been negligent in the performance of his  
2023 duties or to have committed an action or failed to perform a duty  
2024 for which there is a common law or a statutory liability. In  
2025 addition, a person may, with the approval of the commissioner, be  
2026 so indemnified or reimbursed for:

2027 (a) Amounts paid in compromise or settlement of any  
2028 action, suit or proceeding, including reasonable expenses incurred  
2029 in connection therewith; or

2030 (b) Reasonable expenses, including fines and penalties,  
2031 incurred in connection with a criminal or civil action, suit or  
2032 proceeding in which such person has been adjudicated guilty,  
2033 negligent or liable, if it shall be determined by the board of



2034 directors and the commissioner that such person was acting in good  
2035 faith and in what he believed to be the best interests of the  
2036 association and without knowledge that the action was illegal and  
2037 if such indemnification or reimbursement is approved at an annual  
2038 or special meeting of the members or stockholders by a majority of  
2039 the votes eligible to be cast. Amounts paid to the association,  
2040 whether pursuant to judgment or settlement by any person within  
2041 the meaning of this section, shall not be indemnified or  
2042 reimbursed in any case.

2043 SECTION 47. Section 81-12-93, Mississippi Code of 1972, is  
2044 reenacted as follows:

2045 81-12-93. No association shall make any management contract  
2046 with any person or persons extending for more than three (3)  
2047 years. Contracts in excess of one (1) year shall first be  
2048 approved by the commissioner. No such contract shall permit an  
2049 association to be managed on a commission basis.

2050 SECTION 48. Section 81-12-95, Mississippi Code of 1972, is  
2051 reenacted as follows:

2052 81-12-95. Every association shall keep at the home office  
2053 correct and complete minutes of the proceedings and meetings of  
2054 members, stockholders, directors and the executive committee.  
2055 Complete records of all business transacted at the home office  
2056 shall be maintained at the home office, and control records of all  
2057 business transacted at each branch office or agency shall be  
2058 maintained at the home office, except as permitted below.  
2059 However, any state savings association may cause any or all  
2060 records at any time in its custody to be reproduced in a format of  
2061 storage commonly used, whether electronic, imaged, magnetic,  
2062 microphotographic, or otherwise, and any reproduction so made  
2063 shall have the same force and effect as the original thereof and  
2064 be admitted in evidence equally with the original.

2065 SECTION 49. Section 81-12-97, Mississippi Code of 1972, is  
2066 reenacted as follows:



2067           81-12-97. (1) Each branch office shall keep detailed  
2068 records of all transactions at such branch office and shall  
2069 furnish full control records to the home office, except as  
2070 permitted below.

2071           (2) Each agent of an association shall keep an original  
2072 record of each transaction of business of the association and  
2073 shall report promptly to the home office. Complete detailed  
2074 permanent records of such transactions are not required to be  
2075 maintained at such agency.

2076           SECTION 50. Section 81-12-99, Mississippi Code of 1972, is  
2077 reenacted as follows:

2078           81-12-99. An association which determines to maintain any of  
2079 its records by means of data processing services shall so notify  
2080 the commissioner, in writing, at least ninety (90) days prior to  
2081 the date on which such maintenance of records will begin. Such  
2082 notification shall include identification of the records to be  
2083 maintained by data processing services and a statement as to the  
2084 location at which such records will be maintained. Any contract,  
2085 agreement or arrangement made by an association pursuant to which  
2086 data processing services are to be performed for such association  
2087 shall be in writing and shall expressly provide that the records  
2088 to be maintained by such services shall at all times be available  
2089 for examination and audit.

2090           SECTION 51. Section 81-12-101, Mississippi Code of 1972, is  
2091 reenacted as follows:

2092           81-12-101. (1) Every association shall use such forms and  
2093 observe such accounting principles and practices as the  
2094 commissioner may require from time to time.

2095           (2) Every association shall close its books annually.

2096           (3) No association by any system of accounting or any device  
2097 of bookkeeping shall, either directly or indirectly, enter any of  
2098 its assets upon its books in the name of any other person,



2099 partnership, association or corporation or under any title or  
2100 designation that is not truly descriptive of such assets.

2101 SECTION 52. Section 81-12-103, Mississippi Code of 1972, is  
2102 reenacted as follows:

2103 81-12-103. The commissioner, after a determination of value  
2104 made in accordance with Section 81-12-177(8), may order that  
2105 assets, individually or in the aggregate, to the extent that such  
2106 assets are overvalued on an association's books, be charged off,  
2107 or that a special reserve or reserves equal to such overvaluation  
2108 be set up by transfers from undivided profits or reserves.

2109 SECTION 53. Section 81-12-105, Mississippi Code of 1972, is  
2110 reenacted as follows:

2111 81-12-105. (1) An association shall not carry any real  
2112 estate on its books at a sum in excess of the total amount  
2113 invested by such association on account of such real estate,  
2114 including advances, costs, and improvements but excluding accrued  
2115 but uncollected interest.

2116 (2) Every association shall have appraised each parcel of  
2117 real estate immediately following acquisition thereof. The report  
2118 of each such appraisal shall be submitted in writing to the board  
2119 of directors and shall be kept in the records of the association.  
2120 In addition to his powers under Section 81-12-177(8) of this  
2121 chapter, the commissioner may require the appraisal of real estate  
2122 securing loans which are delinquent more than four (4) months.

2123 SECTION 54. Section 81-12-107, Mississippi Code of 1972, is  
2124 reenacted as follows:

2125 81-12-107. Every association shall maintain complete loan  
2126 and investment records in a manner prescribed by the commissioner.  
2127 Detailed records necessary to make determinations of compliance by  
2128 an association with the investment, liquidity, loan and other  
2129 provisions of this chapter shall be maintained consistently and at  
2130 all times, the record of each real estate loan or other secured  
2131 loan or investment containing documentation to the satisfaction of



2132 the commissioner of the type, adequacy and completion of the  
2133 security.

2134 SECTION 55. Section 81-12-109, Mississippi Code of 1972, is  
2135 reenacted as follows:

2136 81-12-109. Every association shall maintain membership and  
2137 stockholder records, which shall show the name and address of the  
2138 member or stockholder, the status of the member as a savings  
2139 account holder, or an obligor, or a savings account holder and  
2140 obligor, and the date of membership or ownership of stock. In the  
2141 case of members holding a savings account the association shall  
2142 obtain a savings account contract containing the signature of each  
2143 holder of such account or his duly authorized representative, and  
2144 shall preserve such contract in the records of the association.

2145 SECTION 56. Section 81-12-111, Mississippi Code of 1972, is  
2146 reenacted as follows:

2147 81-12-111. Any association may cause any or all records kept  
2148 by such association to be copied or reproduced by any photostatic,  
2149 photographic or microfilming process which correctly and  
2150 permanently copies, reproduces or forms a medium for copying or  
2151 reproducing the original record on a film or other durable  
2152 material, and such association may thereafter dispose of the  
2153 original record. Any such copy or reproduction shall be deemed to  
2154 be an original record for all purposes and shall be treated as an  
2155 original record in all courts or administrative agencies for the  
2156 purpose of its admissibility in evidence. A facsimile,  
2157 exemplification or certified copy of any such copy or reproduction  
2158 reproduced from a film record shall, for all purposes, be deemed a  
2159 facsimile, exemplification or certified copy of the original  
2160 record.

2161 SECTION 57. Section 81-12-113, Mississippi Code of 1972, is  
2162 reenacted as follows:

2163 81-12-113. Every association shall set up and maintain the  
2164 reserves required by the board and may set up and maintain such



2165 additional reserves as are permitted by this chapter. The  
2166 commissioner shall fix the amount of each association's separate  
2167 reserve account to be set up and maintained for the sole purpose  
2168 of absorbing losses (termed in this chapter "general reserve"),  
2169 but in no event shall such amount of such general reserve be less  
2170 than the amount required by the Federal Deposit Insurance  
2171 Corporation. Transfers to general reserve shall be made at such  
2172 time or times as set by the commissioner.

2173 SECTION 58. Section 81-12-115, Mississippi Code of 1972, is  
2174 reenacted as follows:

2175 81-12-115. The savings liability of an association is not  
2176 limited, but shall consist only of the aggregate amount of savings  
2177 accounts of its members or savings account holders, plus earnings  
2178 credited to such accounts, less redemption and withdrawal  
2179 payments. Except as limited by the board of directors from time  
2180 to time, a member or savings account holder may make additions to  
2181 his savings accounts in such amounts and at such times as he may  
2182 elect. The members or savings account holders of an association  
2183 shall not be responsible for any losses which its savings  
2184 liability shall not be sufficient to satisfy, and savings accounts  
2185 shall not be subject to assessment. Earnings shall be declared in  
2186 accordance with the provisions of this chapter. Except as  
2187 provided in Section 81-12-153, no association shall prefer one (1)  
2188 of its savings accounts over any other savings account as to the  
2189 right to participate in earnings. No preference between savings  
2190 account members or savings account holders shall be created with  
2191 respect to the distribution of assets upon voluntary or  
2192 involuntary liquidation, dissolution or winding up of an  
2193 association. No association shall issue, sell, negotiate or  
2194 advertise any type of savings account or debt security, except as  
2195 authorized by this chapter, nor shall it contract with respect to  
2196 any savings account or other account in a manner inconsistent with  
2197 the provisions of this chapter.



2198 SECTION 59. Section 81-12-117, Mississippi Code of 1972, is  
2199 reenacted as follows:

2200 81-12-117. Savings accounts may be opened and held solely  
2201 and absolutely in his own right by, or in trust or other fiduciary  
2202 capacity for, any person, including an adult or minor individual,  
2203 male or female, single or married, partnership, association,  
2204 fiduciary, corporation or by a political subdivision or public or  
2205 governmental unit, but only to the extent expressly authorized by  
2206 the statutes of this state. Savings accounts shall be represented  
2207 only by the account of each savings account holder on the books of  
2208 the association, and such accounts or any interest therein shall  
2209 be transferable only on the books of the association and upon  
2210 proper written application by the transferee and upon acceptance  
2211 by the association of the transferee as a savings account holder  
2212 upon terms approved by the board of directors. The association  
2213 may treat the holder of record of a savings account as the owner  
2214 thereof for all purposes.

2215 SECTION 60. Section 81-12-119, Mississippi Code of 1972, is  
2216 reenacted as follows:

2217 81-12-119. Each holder of a savings account shall execute a  
2218 savings account contract setting forth any special terms and  
2219 provisions applicable to such savings account and the ownership  
2220 thereof and the conditions upon which withdrawals may be made, not  
2221 inconsistent with the provisions of this chapter.

2222 SECTION 61. Section 81-12-121, Mississippi Code of 1972, is  
2223 reenacted as follows:

2224 81-12-121. Evidence of ownership of a savings account shall  
2225 be issued in such form as approved by the commissioner by  
2226 regulation.

2227 SECTION 62. Section 81-12-123, Mississippi Code of 1972, is  
2228 reenacted as follows:

2229 81-12-123. Upon the filing with an association by the holder  
2230 of record as shown by the books of the association, or by his



2231 legal representative, of an affidavit to the effect that the  
2232 account book or certificate evidencing his savings account with  
2233 the association has been lost or destroyed, and that such account  
2234 book or certificate has not been pledged or assigned in whole or  
2235 in part, such association shall issue a new account book or  
2236 certificate in the name of the holder of record, such evidence  
2237 stating that it is issued in lieu of the one lost or destroyed,  
2238 and the association shall in no way be liable thereafter on  
2239 account of the original account book or certificate, provided that  
2240 the board of directors shall, if in its judgment it is necessary,  
2241 require a bond in an amount it deems sufficient to indemnify the  
2242 association against any loss which might result from the issuance  
2243 of such new account book or certificate.

2244 SECTION 63. Section 81-12-125, Mississippi Code of 1972, is  
2245 reenacted as follows:

2246 81-12-125. The commissioner shall by regulation determine  
2247 the conditions under which merchandise, things of value or  
2248 services performed outside the premises of an association may be  
2249 furnished as an inducement for the opening or increase of any  
2250 savings account.

2251 SECTION 64. Section 81-12-127, Mississippi Code of 1972, is  
2252 reenacted as follows:

2253 81-12-127. Notice to any association doing business in this  
2254 state of an adverse claim to an account on its books in the name  
2255 of any savings account holder shall not be effectual to cause the  
2256 association to recognize such adverse claimant unless such adverse  
2257 claimant either procures a restraining order, injunction or other  
2258 appropriate process against the association from a court of  
2259 competent jurisdiction in a cause therein instituted by him  
2260 wherein the savings account holder in whose name the account  
2261 appears is made a party and served with summons, or shall execute  
2262 to the association, in form and with sureties acceptable to it, a  
2263 bond indemnifying it from any and all liability, loss, damage,



2264 costs and expenses for and on the account of the payment of such  
2265 adverse claim.

2266 SECTION 65. Section 81-12-129, Mississippi Code of 1972, is  
2267 reenacted as follows:

2268 81-12-129. An association may contract with the proper  
2269 authorities of any public or nonpublic elementary or secondary  
2270 school or institution of higher learning, or any public or  
2271 charitable institution caring for minors, for the participation  
2272 and implementation by the association in any school or  
2273 institutional thrift or savings plan, and it may accept savings  
2274 accounts at such a school or institution, either by its own  
2275 collector or by any representative of the school or institution  
2276 which becomes the agent of the association for such purpose.

2277 SECTION 66. Section 81-12-131, Mississippi Code of 1972, is  
2278 reenacted as follows:

2279 81-12-131. An association may contract with any employer  
2280 with respect to the solicitation, collection and receipt of  
2281 savings by payroll deduction to be credited to a designated  
2282 account or accounts of his or its employee or employees who  
2283 voluntarily may participate.

2284 SECTION 67. Section 81-12-133, Mississippi Code of 1972, is  
2285 reenacted as follows:

2286 81-12-133. Any association may continue to recognize the  
2287 authority of an attorney in fact authorized in writing to manage  
2288 or to make withdrawals either in whole or in part from the savings  
2289 account of a member or savings account holder until it receives  
2290 written notice or is on actual notice of the revocation of his  
2291 authority. For the purposes of this section, written notice of  
2292 the death or adjudication of incompetency of such savings account  
2293 holder shall constitute written notice of revocation of the  
2294 authority of his attorney. No such institution shall be liable  
2295 for damages, penalty or tax by reason of any payment made in  
2296 accord with this section.



2297 SECTION 68. Section 81-12-135, Mississippi Code of 1972, is  
2298 reenacted as follows:

2299 81-12-135. An association and any federal association may  
2300 issue savings accounts to any minor or other person under  
2301 disability as the sole and absolute owner of such savings account,  
2302 and receive payments thereon by or for such owner, and pay  
2303 withdrawals, accept pledges to the association, and act in any  
2304 other manner with respect to such accounts on the written  
2305 instruction of such savings account holder in accord with this  
2306 chapter. Any payment or delivery of rights to any minor or other  
2307 person under a disability, or a receipt or acquittance signed by a  
2308 minor or other person under a disability, who holds a savings  
2309 account, shall be a valid and sufficient release of such  
2310 association for any payment so made or delivery of rights to such  
2311 minor or person. The receipt, acquittance, pledge or other action  
2312 required by the association to be taken by such minor or person  
2313 shall be binding upon such minor or person with like effect as if  
2314 he were of full age and legal capacity. The parent or guardian of  
2315 such minor or person shall not in his capacity as parent or  
2316 guardian have the power to attach or in any manner to transfer any  
2317 savings account issued to or in the name of such minor or person;  
2318 provided, however, that in the event of the death of such minor or  
2319 person the receipt or acquittance of either parent, a person  
2320 standing in loco parentis, guardian or conservator of such minor  
2321 or person shall be a valid and sufficient discharge of such  
2322 association for any sum or sums not exceeding in the aggregate One  
2323 Thousand Dollars (\$1,000.00) unless the minor or person shall have  
2324 given written notice to the association not to accept the  
2325 signature of such person.

2326 SECTION 69. Section 81-12-137, Mississippi Code of 1972, is  
2327 reenacted as follows:

2328 81-12-137. (1) Accounts may be in the name of two (2) or  
2329 more persons, whether minor or adult, in such form that the monies



2330 in the accounts are payable to either, or the survivor or  
2331 survivors, and such money due under such accounts and all  
2332 additions thereto shall be the property of such persons as joint  
2333 tenants with the right of survivorship. The monies due under such  
2334 accounts may be paid to or on the order of any one of such persons  
2335 during his lifetime or to or on the order of any one of the  
2336 survivors of them after the death of any one or more of them. The  
2337 opening of the account in such form shall be conclusive evidence  
2338 as to the liability of the association only in any action or  
2339 proceeding to which the association is a party, of the intention  
2340 of all of the parties to the account to vest title to money due  
2341 under the account and the additions thereto in such survivor or  
2342 survivors. By written instructions given to the association by  
2343 all the parties to the account, the signatures of more than one  
2344 (1) of such persons during their lifetime or of more than one (1)  
2345 of the survivors after the death of any one (1) of them may be  
2346 required for withdrawal, in which case the association shall pay  
2347 the monies in the account only in accordance with such  
2348 instructions, but no such instructions shall limit the right of  
2349 the survivor or survivors to receive the money in the account. By  
2350 written agreement with the association, any person may create a  
2351 joint account with other persons as joint tenants with the right  
2352 of survivorship and said agreement may be signed only by the  
2353 persons creating said account.

2354 (2) The association, unless instructed in writing to the  
2355 contrary, may loan money to any one or more persons constituting a  
2356 single membership or account as joint tenants with the right of  
2357 survivorship, and any person authorized to make withdrawals as  
2358 provided in this section may pledge, hypothecate or assign all or  
2359 any part of the money due or to become due under such account. Any  
2360 such pledge, hypothecation or assignment or any increase to or  
2361 withdrawal from the account shall not destroy the joint tenancy  
2362 with right of survivorship.



2363           (3) Payment of all or any of the monies in such account, as  
2364 provided in this section, shall discharge the association from  
2365 liability with respect to the monies so paid, prior to receipt by  
2366 the association of a court order. After receipt of such court  
2367 order, an association may refuse, without liability, to honor any  
2368 withdrawal on the account pending determination of the rights of  
2369 the parties. No association paying any survivor in accordance  
2370 with the provisions of this section shall thereby be liable for  
2371 any estate, inheritance or succession taxes which may be due this  
2372 state.

2373           SECTION 70. Section 81-12-139, Mississippi Code of 1972, is  
2374 reenacted as follows:

2375           81-12-139. Any association may accept accounts in the name  
2376 of any administrator, executor, guardian, trustee or other  
2377 fiduciary in trust for a named beneficiary or beneficiaries. Any  
2378 such fiduciary shall have power to vote as a member as if any  
2379 membership account were held absolutely, to make payments upon,  
2380 and to withdraw any such account, in whole or in part. The  
2381 withdrawal value of any such account, or other rights relating  
2382 thereto may be paid or delivered, in whole or in part, to such  
2383 fiduciary, without regard to any notice to the contrary, as long  
2384 as such fiduciary is living. The payment or delivery to any such  
2385 fiduciary or a receipt of acquittance signed by any such fiduciary  
2386 to whom any such payment or any such delivery of rights is made  
2387 shall be valid and sufficient release and discharge of any  
2388 association for the payment or delivery so made. Whenever a  
2389 person holding an account in a fiduciary capacity dies and no  
2390 written notice of the revocation or termination of the trust  
2391 relationship shall have been given to an association and the  
2392 association has no notice of any other disposition of the trust  
2393 estate, the withdrawal value of such account, or other rights  
2394 relating thereto may, at the option of an association, be paid or  
2395 delivered, in whole or in part, to the beneficiary or



2396 beneficiaries of such trust. Whenever an account shall be opened  
2397 by any person describing himself in opening such account as  
2398 trustee for another and there is no other or further notice of the  
2399 existence and terms of a legal and valid trust, then such  
2400 description shall be given in writing to such association. In the  
2401 event of the death of the person so described as trustee, the  
2402 withdrawal value of such account or any part thereof may be paid  
2403 to the person for whom the account was thus stated to have been  
2404 opened, and such account and all additions thereto shall be the  
2405 property of such person, unless prior to payment the trust  
2406 agreement is presented to the association showing a contrary  
2407 interest. When made in accord with this section, the payment or  
2408 delivery to any such beneficiary, beneficiaries or designated  
2409 person, or a receipt or acquittance signed by any such  
2410 beneficiary, beneficiaries or designated person for any such  
2411 payment or delivery shall be valid and sufficient release and  
2412 discharge of an association for the payment or delivery so made.  
2413 Trust accounts permitted by this chapter shall not be required to  
2414 be acknowledged and recorded. When an account is opened in a form  
2415 described in this section, the right set forth in Section  
2416 81-12-145 shall apply. No association paying any beneficiary in  
2417 accordance with the provisions of this section shall thereby be  
2418 liable for any estate, inheritance or succession taxes which may  
2419 be due this state.

2420 SECTION 71. Section 81-12-141, Mississippi Code of 1972, is  
2421 reenacted as follows:

2422 81-12-141. When an account is held in any association by a  
2423 person residing in another state or country, the account, or any  
2424 part thereof not in excess of Two Thousand Five Hundred Dollars  
2425 (\$2,500.00), may be paid to the administrator or executor  
2426 appointed in the state or country where the account holder resides  
2427 at the time of death, provided such administrator or executor has  
2428 furnished the association with (a) authenticated copies of his



2429 letters and of the order of the court which issued the letters to  
2430 him authorizing him to collect, receive and remove the personal  
2431 estate, and (b) an affidavit by the administrator or executor that  
2432 to his knowledge no letters are then outstanding in this state and  
2433 no petition for letters by an heir, legatee, devisee or creditor  
2434 of the decedent is pending on the estate in this state, and that  
2435 there are no creditors of the estate in this state. Upon payment  
2436 or delivery to such representative after receipt of the affidavit  
2437 and authenticated copies, the association is released and  
2438 discharged to the same extent as if the payment or delivery had  
2439 been made to a legally qualified resident executor or  
2440 administrator, and is not required to see to the application or  
2441 disposition of the property. No action at law or in equity shall  
2442 be maintained against the association for payment made in  
2443 accordance with the above provisions.

2444 SECTION 72. Section 81-12-143, Mississippi Code of 1972, is  
2445 reenacted as follows:

2446 81-12-143. Any association may pay to the heirs at law of a  
2447 deceased savings account holder, without necessity of  
2448 administration, upon affidavit that deceased died leaving no last  
2449 will and testament and bond signed by each of the heirs  
2450 guaranteeing payment of any lawful debts of the deceased to the  
2451 extent of such withdrawal, any sum in the decedent's account not  
2452 in excess of Seven Thousand Five Hundred Dollars (\$7,500.00), and  
2453 the receipt of acquittance of the person or persons so paid shall  
2454 be valid and sufficient release and discharge to the association  
2455 as against all other persons and claimants for any payment so  
2456 made; however, such bond shall be made available to any creditor  
2457 for suit against the makers of such bond.

2458 SECTION 73. Section 81-12-145, Mississippi Code of 1972, is  
2459 reenacted as follows:

2460 81-12-145. Accounts payable at death may be established  
2461 under the following conditions:



2462           (a) An account in an association may be opened by any  
2463 person or persons with directions to make such an account payable  
2464 on the death of the person or persons opening such an account to  
2465 the named beneficiary or beneficiaries. When an account is so  
2466 opened, the association shall pay any monies to the credit of the  
2467 account from time to time to, or pursuant to the order of the  
2468 person or persons opening such an account during his or their  
2469 lifetime in the same manner as if the account were in the sole  
2470 name or names of such person or persons.

2471           (b) If the named beneficiary or one (1) of the  
2472 beneficiaries so named survive the death of the person opening  
2473 such an account and the beneficiary or all of the beneficiaries so  
2474 named are sixteen (16) years of age or over at the death of the  
2475 person opening such an account, the association shall pay the  
2476 monies to the credit of the account, less all proper setoffs and  
2477 charges, to the named beneficiary or beneficiaries or upon his or  
2478 their order, as hereinafter provided, and such payment by the  
2479 association shall be valid, notwithstanding any lack of legal age  
2480 of the named beneficiary or beneficiaries; provided, however,  
2481 where such an account is opened or subsequently held by more than  
2482 one (1) person, the death of one (1) of such persons shall not  
2483 terminate the account and the account shall continue as to the  
2484 surviving person or persons and the named beneficiary or  
2485 beneficiaries subject to the provisions of subsections (c) through  
2486 (i) of this section.

2487           (c) If the named beneficiary or all of the  
2488 beneficiaries so named survive the death of the person or persons  
2489 opening such an account and are under sixteen (16) years of age at  
2490 such time, the association shall pay the monies to the credit of  
2491 the account, less all proper setoffs and charges:

2492           (i) When or after the named beneficiary becomes  
2493 sixteen (16) years of age, to the named beneficiary or upon his  
2494 order; or



2495                   (ii) When more than one (1) beneficiary is named,  
2496 the association shall pay to each beneficiary so named his  
2497 proportionate interest in such account as each severally becomes  
2498 sixteen (16) years of age; or

2499                   (iii) To the legal guardian of the named  
2500 beneficiary, wherever appointed and qualified, or where more than  
2501 one (1) beneficiary is named, the association shall pay such  
2502 beneficiary's proportionate interest in such account to his legal  
2503 guardian wherever and whenever appointed and qualified; or

2504                   (iv) In the event no guardian is appointed and  
2505 qualified, payment may be made in accordance with the provisions  
2506 of Section 93-13-211 et seq., in situations to which such section  
2507 or sections are applicable.

2508                   (d) Where the death of the person or persons opening  
2509 such an account terminates the account under the provisions of  
2510 subsections (b) and (c) of this section and where one or more of  
2511 the named beneficiaries are under sixteen (16) years of age and  
2512 the remainder of the named beneficiaries are sixteen (16) years of  
2513 age or over, the association shall pay the monies to the credit of  
2514 the trust, less all proper setoffs and charges, to:

2515                   (i) The named beneficiaries sixteen (16) years of  
2516 age or over at the time of termination of said account pursuant to  
2517 subsection (b) of this section, and

2518                   (ii) The named beneficiaries under sixteen (16)  
2519 years of age at the time of termination of said account pursuant  
2520 to subsection (c) of this section.

2521                   (e) Where such account is opened or subsequently held  
2522 by more than one (1) person, the association, in the absence of  
2523 any written instructions to the contrary, consented to by the  
2524 association, shall accept payments made to such account and may  
2525 pay any monies to the credit of such account from time to time to,  
2526 or pursuant to the order of, either or any of said persons during



2527 their life or lives in the same manner as if the account were in  
2528 the sole name of either or any of such persons.

2529 (f) When a person or persons opens an account in an  
2530 association, in the form set forth in subsection (a) of this  
2531 section, and makes a payment or payments to such account, or  
2532 causes a payment or payments to be made to such account, such  
2533 person or persons shall be conclusively presumed to intend to vest  
2534 in the named beneficiary or beneficiaries a present beneficial  
2535 interest in such payment so made, and in the monies to the credit  
2536 of the account from time to time, to the end that, if the named  
2537 beneficiary or beneficiaries survive the person or persons opening  
2538 such an account, all the right and title of the person or persons  
2539 opening such an account in and to the monies to the credit of the  
2540 account at the death of such person or persons, less all proper  
2541 setoffs and charges, shall, at such death, vest solely and  
2542 indefeasibly in the named beneficiary or beneficiaries subject to  
2543 the conditions and limitations of subsections (c) through (i) of  
2544 this section.

2545 (g) If the named beneficiary predeceases the person  
2546 opening such an account, the present beneficial interest presumed  
2547 to be vested in the named beneficiary pursuant to subsection (f)  
2548 of this section shall terminate at the death of the named  
2549 beneficiary. In such case, the personal representatives of the  
2550 named beneficiary, and all others claiming through or under the  
2551 named beneficiary, shall have no right in or title to the monies  
2552 to the credit of the account, and the association shall pay such  
2553 monies, less all proper setoffs and charges, to the person opening  
2554 such an account, or pursuant to his order, in the same manner as  
2555 if the account were in the sole name of the person opening such an  
2556 account; provided, however, where such an account names more than  
2557 one (1) beneficiary, the death of one (1) of the beneficiaries so  
2558 named shall not terminate the account and the account shall



2559 continue as to the surviving beneficiary or beneficiaries subject  
2560 to the provisions of subsections (c) through (i) of this section.

2561 (h) An association which makes any payment pursuant to  
2562 subsections (c) through (g) of this section, prior to service upon  
2563 the association or an order of court restraining such payment,  
2564 shall, to the extent of each payment so made, be released from all  
2565 claims of the person or persons opening such an account, the named  
2566 beneficiary or beneficiaries, their legal representatives, and all  
2567 others claiming through or under them.

2568 (i) When an account is opened in a form described in  
2569 subsection (a) of this section, the right of the named beneficiary  
2570 or beneficiaries to be vested with sole and indefeasible title to  
2571 the monies to the credit of the account on the death of the person  
2572 or persons opening such an account shall not be denied, abridged  
2573 or in anywise affected because such right has not been created by  
2574 a writing executed in accordance with the law of this state  
2575 prescribing the requirements to effect a valid testamentary  
2576 disposition of property.

2577 SECTION 74. Section 81-12-147, Mississippi Code of 1972, is  
2578 reenacted as follows:

2579 81-12-147. (1) Administrators, executors, custodians,  
2580 guardians, trustees, pension funds and other fiduciaries of every  
2581 kind and nature, insurance companies, business and manufacturing  
2582 companies, banks, credit unions and all other types of financial  
2583 institutions, charitable, educational and eleemosynary  
2584 institutions and organizations hereby are specifically authorized  
2585 and empowered to invest funds held by them, without any order of  
2586 any court, in savings accounts of associations which are under  
2587 state supervision, and in accounts of insured associations, and  
2588 such investments shall be deemed and held to be legal investments  
2589 for such funds. With respect to investments by custodians,  
2590 associations hereby are deemed to be qualified institutions within



2591 the meaning of that term as used in the Uniform Gifts to Minors  
2592 Law of this state.

2593 (2) The provisions of this section are supplemental to any  
2594 and all other laws relating to and declaring what shall be legal  
2595 investments for the persons, fiduciaries, corporations,  
2596 organizations and officials referred to in this section, and the  
2597 laws relating to the deposit of securities and the making and  
2598 filing of bonds for any purpose.

2599 SECTION 75. Section 81-12-149, Mississippi Code of 1972, is  
2600 reenacted as follows:

2601 81-12-149. An association may pay earnings on its savings  
2602 accounts from sources available for payment of earnings at such  
2603 rate and at such times and for such time or notice periods as  
2604 shall be determined by resolution of its board of directors  
2605 subject to such rules and regulations promulgated by the  
2606 commissioner. Except for accounts which shall be classified  
2607 according to a specified contractual time or notice period,  
2608 earnings shall be declared on the withdrawal value of each savings  
2609 account at the beginning of the accounting period, plus additions  
2610 thereto made during the period (less amounts previously withdrawn  
2611 and noticed for withdrawal, which for earnings purposes shall be  
2612 deducted from the latest previous additions thereto) computed at  
2613 the declared rate for the time the funds have been invested, which  
2614 time shall be fixed by the bylaws of the association. No earnings  
2615 shall be declared or paid for an accounting period unless the  
2616 allocation to the general reserve for the preceding accounting  
2617 period required herein has been made. The board of directors, by  
2618 resolution, may determine that earnings shall not be paid on any  
2619 savings account which has a withdrawal value of a specified amount  
2620 less than Fifty Dollars (\$50.00) or which by written agreement is  
2621 intended to be closed within a specified period less than fifteen  
2622 (15) months after the date on which such savings account is  
2623 opened, provided that an exception may be made and earnings paid



2624 on savings accounts opened pursuant to Sections 81-12-129 and  
2625 81-12-131. The directors shall determine by resolution the method  
2626 of calculating the amount of any earnings on savings accounts as  
2627 herein provided, and the time or times when earnings are to be  
2628 declared, paid or credited.

2629 SECTION 76. Section 81-12-151, Mississippi Code of 1972, is  
2630 reenacted as follows:

2631 81-12-151. Any savings account holder or other account  
2632 holder or his authorized representative may at any time present a  
2633 written application for withdrawal of all or any part of his  
2634 savings account or other account. Every association shall pay,  
2635 except as provided below, every withdrawal application in the  
2636 amount stated thereon in the form of cash or one or more checks or  
2637 similar instruments payable to the order of the account holder.  
2638 However, if a federal savings and loan association located in this  
2639 state acquires the right and power to pay withdrawal applications  
2640 in the form of checks or similar instruments payable to the order  
2641 of others than the account holder as directed, or by the transfer  
2642 of credits to the account or accounts of others in an institution  
2643 as directed, then an association incorporated pursuant to or  
2644 operating under the provisions of this chapter may have and  
2645 possess the same rights and powers if prescribed by the board  
2646 pursuant to subsection (r) of Section 81-12-49. No withdrawal  
2647 shall be made in excess of the withdrawal value of such savings  
2648 account or accounts, together with any earnings which may have  
2649 been declared and may have accrued thereon for the current period.  
2650 The payment of withdrawals from savings accounts shall be subject  
2651 to the right of the association to require notice not to exceed  
2652 thirty (30) days and shall be subject to such rules and procedures  
2653 as may be prescribed by regulations of the commissioner, but any  
2654 association which, except as authorized in writing by the  
2655 commissioner, fails to make full payment of any withdrawal when



2656 due shall be deemed to be in an impaired condition to transact  
2657 business within the meaning of Section 81-12-183 of this chapter.

2658 SECTION 77. Section 81-12-153, Mississippi Code of 1972, is  
2659 reenacted as follows:

2660 81-12-153. At any time funds are on hand for the purpose,  
2661 the association shall have the right to redeem by lot as the board  
2662 of directors may determine, all or any part of any of its savings  
2663 accounts on an earnings date by giving thirty (30) days' notice by  
2664 registered mail addressed to each affected account holder at his  
2665 last address as recorded on the books of the association. No  
2666 association shall redeem any of its savings accounts when the  
2667 association is in an impaired condition or when it is unable to  
2668 pay its applications for withdrawal. The redemption price of  
2669 savings accounts redeemed shall be the full value of the account  
2670 redeemed, as determined by the board of directors, but in no event  
2671 shall the redemption price be less than the withdrawal value. If  
2672 the aforesaid notice of redemption shall have been duly given, and  
2673 if on or before the redemption date the funds necessary for such  
2674 redemption shall have been set aside so as to be and continue to  
2675 be available therefor, earnings upon the accounts called for  
2676 redemption shall cease to accrue from and after the earnings date  
2677 specified as the redemption date; and all rights with respect to  
2678 such accounts shall forthwith, after such redemption date,  
2679 terminate, except only for the right of the account holder of  
2680 record to receive the redemption price with interest to the  
2681 redemption date. All savings account books or certificates  
2682 evidencing former savings accounts which have been validly called  
2683 for redemption must be tendered for payment within ten (10) years  
2684 from the date of redemption designated in the redemption notice,  
2685 otherwise they shall be cancelled. After the expiration of the  
2686 period of ten (10) years, the association in which the funds are  
2687 located shall, within six (6) months, pay the funds to the



2688 commissioner, who shall deposit such funds to the department's  
2689 account with the State Treasurer.

2690 SECTION 78. Section 81-12-155, Mississippi Code of 1972, is  
2691 reenacted as follows:

2692 81-12-155. Associations shall have power to invest in  
2693 securities as follows:

2694 (a) Without limit, in obligations of, or obligations  
2695 which are fully guaranteed as to principal and interest by, the  
2696 United States or this state; in stock or obligations of any  
2697 federal home loan bank or banks; in stock or obligations of the  
2698 Federal Deposit Insurance Corporation; in stock or obligations of  
2699 the Federal National Mortgage Association, the Government National  
2700 Mortgage Association, Federal Home Loan Mortgage Corporation, or  
2701 any successor or successors thereto; in demand, time, or savings  
2702 deposits, accounts or other obligations of any financial  
2703 institution the accounts of which are insured by a federal agency;  
2704 in bankers' acceptances which are eligible for purchase by Federal  
2705 Reserve banks;

2706 (b) Not in excess of twenty-five percent (25%) of its  
2707 assets in (i) bonds, notes or other evidences of indebtedness  
2708 which are a general obligation of, or guaranteed as to principal  
2709 and interest by, any agency or instrumentality of the United  
2710 States not specified in subsection (a) or of this state, or any  
2711 city, town, village, county, district or other municipal  
2712 corporation or political subdivision of this state, or any public  
2713 instrumentality or public authority of any one or more of the  
2714 foregoing; (ii) capital stock, obligations, or other securities of  
2715 service organizations, provided that the commissioner shall  
2716 establish by regulation the permissible aggregate of such  
2717 investments as a percentage of assets; and (iii) other stocks,  
2718 securities and obligations which the board shall approve and place  
2719 on a list to be published and distributed to every association  
2720 from time to time, and the commissioner is directed to publish and



2721 make distribution of such a list. An association holding  
2722 investments which are so listed by the commissioner shall have a  
2723 reasonable time to dispose of the same if at a later time the  
2724 commissioner shall remove such investments from the list.

2725 SECTION 79. Section 81-12-157, Mississippi Code of 1972, is  
2726 reenacted as follows:

2727 81-12-157. No association shall invest in any security,  
2728 other than those that qualify as liquid assets, or in any loan at  
2729 any time when its liquid assets are less than five percent (5%) of  
2730 its savings liability unless the commissioner shall after  
2731 investigation have issued written approval.

2732 SECTION 80. Section 81-12-159, Mississippi Code of 1972, is  
2733 reenacted as follows:

2734 81-12-159. Every association shall have power to invest in  
2735 loans and other investments as follows:

2736 (a) Loans secured by its savings accounts to the extent  
2737 of the withdrawal value thereof;

2738 (b) Real estate loans in any amount not exceeding the  
2739 value of the security, subject to the following conditions:

2740 (i) No association shall make a real estate loan  
2741 to one borrower if the sum of (1) the amount of such loan, and (2)  
2742 the total balances of all outstanding loans owed to such  
2743 association by such borrower, excluding the amount of any loan on  
2744 the security of a savings account, exceeds an amount equal to ten  
2745 percent (10%) of such association's savings liability or an amount  
2746 equal to the sum of such association's net worth except that any  
2747 such loan may be made if the sum of (1) and (2) does not exceed  
2748 One Hundred Thousand Dollars (\$100,000.00);

2749 (ii) An association may (1) participate with one  
2750 or more financial institutions, or entities having a tax exemption  
2751 under Section 501(a) of the Internal Revenue Code, in any real  
2752 estate loan of the type in which such association is authorized to  
2753 invest on its own account, provided that the participating



2754 interest of such association is not subordinated or inferior to  
2755 any other participating interest; or (2) participate in such real  
2756 estate loans with other than financial institutions or those  
2757 entities described, provided that the participating interest of  
2758 such association is superior to the participating interests of  
2759 such other participants;

2760 (iii) Such restrictions on real estate loans on  
2761 real estate located outside the primary lending area of an  
2762 association and on real estate loans as the commissioner may  
2763 establish by regulation;

2764 (iv) Such other restrictions as the commissioner  
2765 may establish.

2766 (c) Loans secured by the pledge of loans or  
2767 investments, the assignment of which need not be recorded, of a  
2768 type in which the association is authorized to invest, provided  
2769 that the loans and investments so pledged shall be subject to all  
2770 restrictions and requirements which would be applicable were the  
2771 association to invest directly in such loans or investments;

2772 (d) Loans secured by the pledge of policies of life  
2773 insurance, the assignment of which is properly acknowledged by the  
2774 insured, but not exceeding the cash value of such policies;

2775 (e) Property improvement loans made pursuant to the  
2776 provisions of any title of the National Housing Act or subject to  
2777 any limitation as to maximum loan amount prescribed by the  
2778 commissioner for all associations, loans to homeowners and other  
2779 property owners for the construction, maintenance, repair,  
2780 alteration, modernization, landscaping, improvement, furnishing or  
2781 equipping of properties pursuant to rules and regulations  
2782 prescribed by the commissioner;

2783 (f) Loans made for the purpose of mobile home  
2784 financing, subject to any limitation as to maximum loan amount  
2785 which may be prescribed by the commissioner for all associations.



2786 For the purpose of this subsection, "mobile home" shall mean a  
2787 movable accommodation used or designed for use as living quarters;

2788 (g) Such real property or interests therein, including  
2789 real estate for home or branch offices, as the directors may deem  
2790 necessary or convenient for the conduct of the business of the  
2791 association, which for the purposes of this chapter shall be  
2792 deemed to include the ownership of stock of a wholly owned  
2793 subsidiary corporation having as its exclusive activity the  
2794 ownership and management of such property or interests, but the  
2795 amount so invested shall not exceed the net worth of the  
2796 association, provided that the commissioner may authorize a  
2797 greater amount to be so invested.

2798 SECTION 81. Section 81-12-161, Mississippi Code of 1972, is  
2799 reenacted as follows:

2800 81-12-161. Real estate loans eligible for investment by an  
2801 association under this chapter shall be written upon loan plans  
2802 approved by the commissioner, which shall include provisions for  
2803 appraisals, payments, evidences of the loans, and security  
2804 instruments, and may include provisions concerning liens, payments  
2805 of taxes and insurance premiums and similar charges, and advance  
2806 payments of taxes and insurance premiums and similar charges.

2807 SECTION 82. Section 81-12-163, Mississippi Code of 1972, is  
2808 reenacted as follows:

2809 81-12-163. In connection with a loan, the borrower may be  
2810 required to pay an attorney of his choice for services performed  
2811 in connection with the loan; the borrower shall not be required to  
2812 pay any attorney's fee to any attorney not selected by the  
2813 borrower; and the borrower shall have the right to obtain at his  
2814 own expense, if such insurance would be required by the lender,  
2815 fire and casualty insurance on the property offered as security,  
2816 or credit life insurance, from an insurance agent of the  
2817 borrower's choice. The commissioner is empowered to promulgate  
2818 rules and regulations governing the filing and maintenance by the



2819 borrower with the association of fire and casualty insurance on  
2820 the property offered as security, and title insurance. But the  
2821 commissioner shall not authorize title insurance in any company  
2822 that is not authorized to do business in the State of Mississippi.

2823 SECTION 83. Section 81-12-165, Mississippi Code of 1972, is  
2824 reenacted as follows:

2825 81-12-165. Every association may require borrowers to pay  
2826 all reasonable expenses incurred in connection with the making,  
2827 closing, disbursing, extending, readjusting or renewing of real  
2828 estate loans as shall be authorized by the commissioner. If an  
2829 attorney's fee is charged the borrower in connection with any  
2830 loan, the borrower shall have the right to select an attorney of  
2831 his choice to close the loan and to look after his interests in  
2832 connection with the loan and the fee shall be paid to the attorney  
2833 selected. It is the intention of the Legislature to insure that  
2834 the borrower shall not be required to pay any attorney's fee to  
2835 any attorney other than the attorney selected by the borrower to  
2836 close the loan. The borrower shall be advised by the association  
2837 in writing of his right to select an attorney, provided that such  
2838 attorney is on an approved list of a title insurance company  
2839 acceptable to the association, and authorized to do business in  
2840 the State of Mississippi. Title insurance is used herein as a  
2841 criterion for qualifications of attorneys only, and nothing in  
2842 this chapter shall be construed as requiring any association to  
2843 require a borrower to secure a title insurance policy in addition  
2844 to the regular attorney's certification of title. However, an  
2845 association may, if it desires, require title insurance policies  
2846 on loans, but if policies are required from one (1) attorney they  
2847 shall be required from all attorneys used in connection with loans  
2848 under this section. No association shall discriminate as to any  
2849 charges, fees or discounts, or make any different charges  
2850 whatsoever between loans closed by an attorney selected or  
2851 recommended by, or representing the association and loans closed



2852 by an attorney selected by the borrower under the provisions of  
2853 this subsection. It is the intent of the Legislature that  
2854 borrowers shall be free to select attorneys of their choice to  
2855 close all loans under the authority of this paragraph, without  
2856 incurring any additional charge or expense whatsoever. The  
2857 commissioner shall have the authority to adopt reasonable rules  
2858 and regulations to promulgate the provisions of this subsection.  
2859 Any association, or any officer or employee of any such  
2860 association willfully violating the provisions of this subsection  
2861 shall be guilty of a misdemeanor and, upon conviction thereof,  
2862 shall be fined not less than One Hundred Dollars (\$100.00) nor  
2863 more than Five Hundred Dollars (\$500.00).

2864 SECTION 84. Section 81-12-167, Mississippi Code of 1972, is  
2865 reenacted as follows:

2866 81-12-167. A late payment charge, not exceeding Five Dollars  
2867 (\$5.00) or four percent (4%) of the amount of any delinquency,  
2868 whichever is greater, if contracted for, shall not be considered  
2869 interest under the usury laws. However, no such charge shall be  
2870 made unless such delinquency is more than fifteen (15) days past  
2871 due.

2872 SECTION 85. Section 81-12-169, Mississippi Code of 1972, is  
2873 reenacted as follows:

2874 81-12-169. The directors of an association may, at any time  
2875 before an actual sale of property on a foreclosure proceeding  
2876 previously instituted by the association, reinstate a loan and any  
2877 savings account securing the same. The effect of such  
2878 reinstatement shall be to place the association, the borrower, and  
2879 any other interested person in the same legal position as if no  
2880 action had been taken, looking to such foreclosure.

2881 SECTION 86. Section 81-12-171, Mississippi Code of 1972, is  
2882 reenacted as follows:

2883 81-12-171. In the case of any investment made by an  
2884 association in a real estate loan where the ownership of the real



2885 estate security or any part thereof later becomes vested in a  
2886 person other than the party or parties originally executing the  
2887 security instruments, unless there is an agreement in writing to  
2888 the contrary, an association may, without notice to such party or  
2889 parties, deal with such successor or successors in interest with  
2890 reference to said mortgage and the debt thereby secured in the  
2891 same manner as with such party or parties, and may forbear to sue  
2892 or may extend time for payment of or otherwise modify the terms of  
2893 the debt secured thereby, without discharging or in any way  
2894 affecting the liability of such original party or parties  
2895 thereunder or upon the debt thereby secured.

2896 SECTION 87. Section 81-12-173, Mississippi Code of 1972, is  
2897 reenacted as follows:

2898 81-12-173. An association, with the approval of the  
2899 commissioner, may operate a business, manage or deal in property,  
2900 or take any other action over whatever period of time may  
2901 reasonably be necessary to avoid loss on a loan or investment  
2902 theretofore made or an obligation created in good faith.

2903 SECTION 88. Section 81-12-175, Mississippi Code of 1972, is  
2904 reenacted as follows:

2905 81-12-175. (1) A branch office is a legally established  
2906 place of business of the association other than the home office,  
2907 authorized by the board of directors and approved as provided  
2908 herein, at which savings accounts and loan payments may be  
2909 accepted and applications for loans may be received, and at which  
2910 account books and certificates may be issued and loans may be  
2911 closed by employees of the association.

2912 (2) Each association shall be operated from the home office.  
2913 All branch offices shall be subject to direction from the home  
2914 office.

2915 (3) No association may establish or operate a branch office  
2916 without authorization of the commissioner. Each application for  
2917 approval of the establishment and operation of a branch office



2918 shall state the proposed location thereof, the need therefor, the  
2919 functions to be performed therein, the estimated volume of  
2920 business thereof, the estimated annual expense thereof and the  
2921 mode of payment therefor, and shall be accompanied by a budget of  
2922 the association for the current earnings period and for the next  
2923 succeeding semiannual period, which reflects the estimated  
2924 additional expense of the maintenance of such a branch office. A  
2925 resolution adopted by the board of directors of the association  
2926 authorizing the proposed branch office and specifying the location  
2927 and manner in which the branch office will be financed shall be  
2928 submitted with each application. The commissioner may, by  
2929 regulation, require the application to state other relevant and  
2930 necessary information. Applications shall be made to the  
2931 commissioner; and, upon receipt, he shall make an investigation to  
2932 determine whether the establishment and maintenance of such office  
2933 will unduly injure any properly conducted existing association or  
2934 federal association in the community where such branch office is  
2935 proposed to be established. The provisions of Section 81-12-29 of  
2936 this chapter shall be followed in processing such application,  
2937 except that the hearing shall be before the commissioner instead  
2938 of the board.

2939 (4) No association may change the location of a branch  
2940 office to a municipality other than that in which it is located  
2941 without authorization of the commissioner. Each application for  
2942 approval of change of location of a branch office to another  
2943 municipality shall state the proposed location thereof, the need  
2944 therefor, the functions to be performed therein, the estimated  
2945 volume of business thereof, the estimated annual expense thereof,  
2946 and the mode of payment therefor, and shall be accompanied by a  
2947 budget of the association for the current earnings period and for  
2948 the next succeeding semiannual period, which reflects the  
2949 estimated additional expense of the maintenance of such proposed  
2950 change of location of the branch office. A resolution adopted by



2951 the board of directors of the association authorizing the proposed  
2952 change of location of the branch office to another municipality  
2953 and specifying the location and proposed manner in which such  
2954 branch office will be financed shall be submitted with each  
2955 application. The commissioner may, by regulation, require the  
2956 application to state other relevant and necessary information.  
2957 Applications shall be made to the commissioner; and, upon receipt,  
2958 he shall make an investigation to determine whether the  
2959 establishment and maintenance of such office will unduly injure  
2960 any properly conducted existing association or federal association  
2961 in the community to which the location of such branch office is  
2962 proposed to be changed. The provisions of Section 81-12-29 shall  
2963 be followed in processing such applications, except that the  
2964 hearing shall be before the commissioner instead of the board.

2965 (5) No association may change the location of a branch  
2966 office to another location in the same municipality without  
2967 authorization by the commissioner. The commissioner shall  
2968 prescribe the form of the application, prerequisites and  
2969 requirements. Notice of such proposed change of location shall be  
2970 given as provided in Section 81-12-29(1). If no protests are  
2971 filed after such notice, the commissioner may approve such  
2972 application if it meets the established prerequisites and  
2973 requirements. If protests are filed, the commissioner, upon  
2974 reasonable notice to the applying association and its attorney and  
2975 to the protestants and their attorneys, shall hold a hearing and,  
2976 based upon his written findings at such hearing, issue a  
2977 certificate of approval or disapproval.

2978 (6) No branch office in this state may be discontinued or  
2979 abandoned without the consent in writing of the commissioner first  
2980 obtained.

2981 SECTION 89. Section 81-12-176, Mississippi Code of 1972, is  
2982 reenacted as follows:



2983           81-12-176. No association shall, without authorization by  
2984 the commissioner, establish a savings branch office, loan branch  
2985 office or a loan processing office. The commissioner shall  
2986 prescribe the form of the application, prerequisites and  
2987 requirements for the above types of offices. If no protest is  
2988 filed after notice has been given as provided in Section  
2989 81-12-29(1), the commissioner may approve the application for the  
2990 above-described limited service branch offices if the established  
2991 prerequisites and requirements are met. If protests are filed,  
2992 the commissioner, upon reasonable notice to the applying  
2993 association and its attorney and to the protestants and their  
2994 attorneys, shall hold a hearing and, based upon his written  
2995 findings at such hearing, issue a certificate of approval or  
2996 disapproval.

2997           SECTION 90. Section 81-12-177, Mississippi Code of 1972, is  
2998 reenacted as follows:

2999           81-12-177. (1) On or before the forty-fifth day after the  
3000 end of an association's annual accounting period, every  
3001 association shall make an annual written report to the  
3002 commissioner, upon a form to be prescribed and/or furnished by the  
3003 commissioner, of its affairs and operations, which shall include a  
3004 complete statement of its financial condition, including a  
3005 statement of income and expense since its last previous similar  
3006 report, for the twelve (12) months ending on the last day of its  
3007 accounting period of the previous year. This report shall include  
3008 a statement of full compliance with this chapter, and such other  
3009 information as the commissioner shall direct. Every such report  
3010 shall be verified by the president, managing officer or any other  
3011 officer designated by the commissioner.

3012           (2) Every association also shall make such other reports as  
3013 the commissioner may from time to time require, which shall be in  
3014 such form and filed on such date as he may prescribe and shall be  
3015 verified in the same manner as the annual report.



3016 (3) The commissioner shall require that every association  
3017 have its affairs examined and be audited at least once a year.  
3018 The commissioner shall review such examination and audit within a  
3019 reasonable time after their completion.

3020 (4) The commissioner shall accept any examination made or  
3021 any audit caused to be made by a federal home loan bank, the  
3022 appropriate federal regulatory authority, or by the Federal  
3023 Deposit Insurance Corporation.

3024 (5) The commissioner may, without previous notice, examine  
3025 or cause an examination to be made into the affairs of an  
3026 association.

3027 (6) Whenever, in the judgment of the commissioner, the  
3028 condition of any association renders it necessary or expedient to  
3029 make any extra examination or audit or to devote any extraordinary  
3030 attention to its affairs, the commissioner shall cause the same to  
3031 be done. A full and complete copy of the report of all  
3032 examinations and audits shall be furnished to the association  
3033 examined. Such report of examination or audit shall be presented  
3034 by the president to the board of directors at its next regular or  
3035 special meeting.

3036 (7) The commissioner is authorized in connection with any  
3037 examination or audit of any association to cause to be made  
3038 appraisals of real estate held by the association or securing the  
3039 association's assets when specific facts or information with  
3040 respect to real estate held, secured loans or lending, or when in  
3041 his opinion the association's policies, practices, operating  
3042 results and trends give evidence that an association's appraisals  
3043 may be excessive, that lending or investment may be of a marginal  
3044 nature, that appraisal policies and practices may not conform with  
3045 generally accepted and established professional standards, or that  
3046 real estate held by the association or assets secured by real  
3047 estate are overvalued. In lieu of causing such appraisals to be  
3048 made, the commissioner may accept any appraisal caused to be made



3049 by a federal home loan bank, the appropriate federal regulatory  
3050 authority, or by the Federal Deposit Insurance Corporation.  
3051 Unless otherwise ordered by the commissioner, appraisal of real  
3052 estate in connection with any examination or audit pursuant to  
3053 this section shall be made by a professional appraiser or  
3054 appraisers selected by the commissioner, and the cost of such  
3055 appraisal promptly shall be paid by such association directly to  
3056 such appraiser or appraisers, upon receipt by the association of a  
3057 statement of such cost bearing the written approval of the  
3058 commissioner. A copy of the report of such appraisal caused to be  
3059 made by the commissioner, pursuant to this subsection, shall be  
3060 furnished to the association within a reasonable time, not to  
3061 exceed sixty (60) days following the completion of such  
3062 appraisals, and may be furnished to the insuring agency.

3063 (8) The commissioner or his examiners or auditors shall have  
3064 free access to all books and papers of an association, a holding  
3065 company of an association, or a service organization, the  
3066 principal office of which is located in this state and which is  
3067 principally owned by one or more thrift institutions, which relate  
3068 to its business and books and papers kept by any officer, agent or  
3069 employee, relating to or upon which any record of its business is  
3070 kept, and may summon witnesses and administer oaths or  
3071 affirmations in the examination of the directors, officers, agents  
3072 or employees of any such association, service organization or any  
3073 other person in relation to its affairs, transactions and  
3074 conditions, and may require and compel the production of records,  
3075 books, papers, contracts or other documents by court order, if not  
3076 voluntarily produced.

3077 SECTION 91. Section 81-12-178, Mississippi Code of 1972, is  
3078 reenacted as follows:

3079 81-12-178. (1) The commissioner shall obtain each year from  
3080 the appropriate federal financial supervisory agency or agencies  
3081 the public sections of the written evaluations prepared pursuant



3082 to 12 USCS Section 2906 of the Community Reinvestment Act, as  
3083 amended (12 USCS Section 2901 et seq.), of each state savings  
3084 association, savings bank, and savings and loan association and  
3085 each federal savings and loan association located in Mississippi,  
3086 and each savings and loan holding company that controls any  
3087 savings association, savings bank or savings and loan association  
3088 located in Mississippi. Once each year, the commissioner shall  
3089 publish in some newspaper having a general circulation in the  
3090 state a statement that the public section of the written  
3091 evaluation prepared pursuant to 12 USCS Section 2906 of the  
3092 Community Reinvestment Act, as amended (12 USCS Section 2901 et  
3093 seq.), of each such savings association, savings bank, savings and  
3094 loan association and savings and loan holding company is  
3095 maintained in the office of the commissioner and will be made  
3096 available for inspection to any person upon request during  
3097 business hours, and that copies of all or part of any evaluation  
3098 will be furnished to any person upon request for a reasonable  
3099 copying fee prescribed by the commissioner.

3100 (2) For the purposes of this section, the term "appropriate  
3101 federal financial supervisory agency" shall have the same meaning  
3102 as the definition in 12 USCS Section 2902.

3103 SECTION 92. Section 81-12-179, Mississippi Code of 1972, is  
3104 reenacted as follows:

3105 81-12-179. If the commissioner, as a result of any  
3106 examination or from any report made to him, shall find that any  
3107 association is violating the provisions of its certificate of  
3108 incorporation or bylaws, or the laws of this state or of the  
3109 United States, or any lawful order or regulation of the  
3110 commissioner, he shall, by a formal written order delivered to the  
3111 association as aforesaid, state any alleged violation, together  
3112 with a statement of the facts alleged to be such violation, and  
3113 order discontinuance of such violation and conformance with all  
3114 requirements of law. Such order shall specify the effective date



3115 thereof, which may be immediate or may be at a later date, and  
3116 such order shall remain in effect until withdrawn by the  
3117 commissioner or until terminated by a court order. Such order of  
3118 the commissioner, upon application made on or after the effective  
3119 date thereof by the commissioner to the chancery court in the  
3120 county in which the home office of the association is located,  
3121 shall be enforced ex parte and without notice by an order to  
3122 comply entered by the court. Such proceedings shall be given  
3123 precedence over all cases pending in such court, and shall in  
3124 every way be expedited. Any association affected by such order of  
3125 the commissioner shall, after receipt thereof, have the right to  
3126 apply within thirty (30) days to any such court for an immediate  
3127 hearing and order suspending the order of the commissioner upon  
3128 such conditions as may be prescribed by the court until such time  
3129 as the hearing has been completed. The hearing of such  
3130 application to the court shall be upon such notice to the  
3131 commissioner as the court shall provide. Whether upon application  
3132 by the commissioner or by the association, such court shall have  
3133 power to and shall adjudicate the question and enter the proper  
3134 order or orders and enforce the same.

3135 SECTION 93. Section 81-12-181, Mississippi Code of 1972, is  
3136 reenacted as follows:

3137 81-12-181. (1) If the commissioner, as a result of any  
3138 examination or from any report made to him, believes that the  
3139 public interest may be served by the appointment of a conservator,  
3140 and if he shall find that: (a) the capital of an association is  
3141 impaired, or (b) the association is concealing any assets, books  
3142 or records, or (c) the members of such association are in actual  
3143 danger of loss due to mismanagement, misappropriation of funds,  
3144 fraud, violation of this chapter, or violation of any lawful rule  
3145 of the commissioner, or (d) any association is in violation of an  
3146 order or injunction, as authorized by this section, which has  
3147 become final in that time to appeal has expired without appeal or



3148 a final order entered from which there can be no appeal, the  
3149 commissioner may appoint a conservator for such association, which  
3150 may be the commissioner or any other person, and upon such  
3151 appointment shall apply immediately to the chancery court in the  
3152 county in which the home office of the association is located for  
3153 confirmation of such appointment, and such court shall have  
3154 exclusive jurisdiction to determine the issues and all related  
3155 matters. Such proceedings shall be given precedence over other  
3156 cases pending in such court, and shall in every way be expedited.  
3157 Such court shall confirm such appointment if it shall find that  
3158 one or more of such grounds exist, and a certified copy of the  
3159 order of the court confirming such appointment shall be evidence  
3160 thereof. Such conservator shall have the power and authority  
3161 provided in this chapter and such other power and authority as may  
3162 be expressed in the order of the court. Such conservator shall  
3163 endeavor promptly to remedy the situations complained of by the  
3164 commissioner in his application for confirmation of such  
3165 appointment. Within six (6) months of the date of such  
3166 appointment, or within twelve (12) months if the court shall  
3167 extend such period of six (6) months, such association shall be  
3168 returned to the board of directors thereof and thereafter shall be  
3169 managed and operated as if no conservator had been appointed, or a  
3170 receiver shall be appointed as hereinafter provided. If the  
3171 commissioner or examiner is appointed conservator, he shall  
3172 receive no additional compensation, but if another person is  
3173 appointed, then the compensation of the conservator, as determined  
3174 by the court, shall be paid by the association. A certified copy  
3175 of the order of the court discharging such conservator and  
3176 returning such association to the directors thereof shall be  
3177 sufficient evidence thereof.

3178 (2) Any conservator appointed shall have all the rights,  
3179 powers and privileges possessed by the officers, board of  
3180 directors and members of the association and shall have the power,



3181 with the approval of the court, to limit or condition withdrawals  
3182 from the association and to effectuate a system for payment of  
3183 withdrawals.

3184 (3) The directors and officers shall remain in office and  
3185 the employees shall remain in their respective positions, but the  
3186 conservator may remove any director, officer or employee, provided  
3187 the order of removal of a director or officer shall be approved in  
3188 writing by the commissioner.

3189 (4) While the association is in the charge of a conservator,  
3190 members or borrowers of such association shall continue to make  
3191 payments to the association in accordance with the terms and  
3192 conditions of their contracts, and the conservator, in his  
3193 discretion, may permit savings account members or savings account  
3194 holders to withdraw their accounts from the association pursuant  
3195 to the provisions of this chapter. The conservator shall have  
3196 power to accept savings accounts and additions to savings  
3197 accounts, but any such amounts received by the conservator may be  
3198 segregated if the commissioner shall so order in writing; if so  
3199 ordered, such amounts shall not be subject to offset and shall not  
3200 be used to liquidate any indebtedness of such association existing  
3201 at the time the conservator was appointed for it or any subsequent  
3202 indebtedness incurred for the purposes of liquidating the  
3203 indebtedness of any such association existing at the time such  
3204 conservator was appointed. All expenses of the association during  
3205 such conservatorship shall be paid by the association.

3206 SECTION 94. Section 81-12-183, Mississippi Code of 1972, is  
3207 reenacted as follows:

3208 81-12-183. (1) If the commissioner shall find that: (a)  
3209 the capital of an association is impaired, or (b) the association  
3210 is concealing any assets, books or records, or (c) the members of  
3211 such association are in actual danger of loss due to  
3212 mismanagement, misappropriation of funds, fraud, violation of this  
3213 chapter, or violation of any lawful rule of the commissioner, or



3214 (d) any association is in violation of an order or injunction, as  
3215 provided in Section 81-12-181 or Section 81-12-183, which has  
3216 become final in that the time to appeal has expired without appeal  
3217 or a final order entered from which there can be no appeal, the  
3218 commissioner may apply immediately to the chancery court in the  
3219 county in which the home office of the association is located for  
3220 appointment of a receiver for such association, and such court  
3221 shall have exclusive jurisdiction to determine the issues and all  
3222 related matters. The commissioner shall suggest a person for such  
3223 appointment who may be the commissioner. Such proceedings shall  
3224 be given precedence over other cases pending in such court, and  
3225 shall in every way be expedited. Such court shall make such  
3226 appointment if it shall find that one or more such grounds exist,  
3227 and a certified copy of the order of the court confirming such  
3228 appointment shall be evidence thereof. Such receiver shall have  
3229 all the powers and authority of a conservator plus the power to  
3230 liquidate, and shall have such other powers and authority as may  
3231 be expressed in the order of the court. If the commissioner or  
3232 examiner is appointed receiver, he shall receive no additional  
3233 compensation, but if another person is appointed, then the  
3234 compensation of the receiver, as determined by the court, shall be  
3235 paid from the assets of the association.

3236 (2) The Federal Deposit Insurance Corporation shall be  
3237 tendered appointment as receiver. If it accepts such appointment,  
3238 it may, nevertheless, make loans on the security of or purchase at  
3239 public or private sale any part or all of the assets of the  
3240 association of which it is receiver, provided such loan or  
3241 purchase is approved by such court.

3242 (3) The procedure in such receivership action shall be in  
3243 all other respects in accordance with the practice of such court,  
3244 including all rights of appeal and review. The directors,  
3245 officers and attorneys of an association in office at the time of  
3246 the initiation of any proceeding under this or the preceding



3247 section are expressly authorized to contest any such proceeding  
3248 and shall in the discretion of the court be reimbursed for  
3249 reasonable expenses and attorney's fees by the association or from  
3250 its assets. Any court having any such proceeding before it shall  
3251 in its discretion allow and order paid reasonable expenses and  
3252 attorney's fees for such directors, officers and attorneys. The  
3253 charter of any association which is liquidated by a receiver shall  
3254 be surrendered to the commissioner on the completion of such  
3255 liquidation and cancelled by him.

3256 SECTION 95. Section 81-12-184, Mississippi Code of 1972, is  
3257 reenacted as follows:

3258 81-12-184. If it appears to the commissioner that it is in  
3259 the best interest of the depositors of an association, the general  
3260 public, and the savings association industry within this state,  
3261 the commissioner is hereby granted the authority to allow a  
3262 supervisory merger of an association into another association in  
3263 lieu of appointing a conservator or a receiver under the  
3264 provisions of Section 81-12-181 or 81-12-183, provided the board  
3265 of directors of each association has adopted a voluntary consent  
3266 resolution authorizing a supervisory merger. The commissioner  
3267 shall coordinate the supervisory merger with the appropriate  
3268 federal regulatory authority.

3269 SECTION 96. Section 81-12-185, Mississippi Code of 1972, is  
3270 reenacted as follows:

3271 81-12-185. No appointment of a conservator shall be  
3272 confirmed, and no receiver shall be appointed or private property  
3273 seized, with respect to an association which is not in an impaired  
3274 condition, unless the court finds that the alleged wrongdoing  
3275 cannot be reasonably corrected as provided in this chapter or  
3276 otherwise as provided by law without appointment of a conservator  
3277 or receiver.

3278 SECTION 97. Section 81-12-187, Mississippi Code of 1972, is  
3279 reenacted as follows:



3280           81-12-187. (1) For the purposes of this section, the term  
3281 "foreign association" shall include any person, firm, company,  
3282 association, fiduciary, partnership or corporation, by whatever  
3283 name called, actually engaged in the business of an association,  
3284 which is not organized under the provisions of this chapter or the  
3285 laws of the United States as now or hereafter amended, the  
3286 principal business office of which is located outside the  
3287 territorial limits of this state.

3288           (2) No foreign association shall do any business of an  
3289 association within this state or maintain an office in this state  
3290 for the purpose of doing such business unless an application is  
3291 made and approval granted as provided herein for the charter of  
3292 domestic associations. No foreign association shall be granted  
3293 permission to do business in this state, except upon the same  
3294 terms, provisions, requirements and conditions as the laws of the  
3295 state in which the foreign association is incorporated require of  
3296 a Mississippi association desiring to do business under the laws  
3297 of the state in which such foreign corporation is organized and  
3298 created.

3299           (3) The commissioner shall conduct a complete investigation  
3300 of the applicant at its expense.

3301           (4) The commissioner shall examine and supervise all foreign  
3302 associations doing any such business in this state in the same  
3303 manner as he examines and supervises associations of this state,  
3304 and they shall pay the supervision and examination fee imposed by  
3305 Section 81-12-193, plus any additional costs as determined by the  
3306 commissioner. The commissioner in his discretion may rely upon  
3307 such official examinations, public and private audits, and copies  
3308 of reports which are supplied to him.

3309           (5) The commissioner hereby is authorized, empowered and  
3310 directed to obtain an injunction or to take any other action  
3311 necessary to prevent any foreign association from doing any  
3312 business of an association in this state without approval.



3313 SECTION 98. Section 81-12-189, Mississippi Code of 1972, is  
3314 reenacted as follows:

3315 81-12-189. (1) For the purposes of Section 81-12-187 and  
3316 this section and any other law of this state prohibiting,  
3317 limiting, regulating, charging or taxing the doing of business in  
3318 this state by foreign associations or foreign corporations of any  
3319 type, any federal association the principal office of which is  
3320 located outside this state, and any foreign association which is  
3321 located outside this state, and any foreign association which is  
3322 subject to state or federal supervision, or both, which by law is  
3323 subject to periodic examination by such supervisory authority and  
3324 to a requirement of periodic audit, shall not be considered to be  
3325 doing business in this state, nor shall any of its intangible  
3326 properties be deemed to have a business, commercial or actual  
3327 situs in this state by reason of engaging in any of the following  
3328 activities:

3329 (a) The purchase, acquisition, holding, sale,  
3330 assignment, transfer, collecting and enforcement of obligations or  
3331 any interest therein secured by real estate mortgages or other  
3332 instruments in the nature of a mortgage, covering real property  
3333 located in this state, or the foreclosure of such instruments, or  
3334 the acquisition of title to such property by foreclosure, or  
3335 otherwise, as a result of default under such instruments, or the  
3336 holding, protection, rental, maintenance and operation of said  
3337 property so acquired, or the disposition thereof.

3338 (b) The advertising or solicitation of savings  
3339 accounts, or the making of any representations with respect  
3340 thereto in this state through the media of the mail, radio,  
3341 television, magazines, newspapers or any other media which are  
3342 published or circulated within this state, provided that such  
3343 advertising, soliciting or the making of such representations  
3344 shall be accurately descriptive of the fact and shall conform to  
3345 the limitations set forth in this chapter regarding associations.



3346 (c) The purchase of a participating interest in loans  
3347 of associations, subject to such regulations as the commissioner  
3348 may adopt.

3349 (2) Any foreign association or federal association described  
3350 in subsection (1) which engages in any of the activities described  
3351 in paragraph (a) thereof pursuant to the provisions of this  
3352 section shall in any connection therewith be subject to suit in  
3353 the courts of this state by this state and the citizens of this  
3354 state, and service on such association shall be effected by  
3355 serving the Secretary of State of this state, provided that the  
3356 provisions of this section shall have no other application to the  
3357 question of whether any foreign association or federal association  
3358 is subject to service of process and suit in this state as a  
3359 result of the transaction of business or other activities in this  
3360 state.

3361 SECTION 99. Section 81-12-191, Mississippi Code of 1972, is  
3362 reenacted as follows:

3363 81-12-191. Federal savings associations or federal savings  
3364 and loan associations, domiciled in the State of Mississippi,  
3365 incorporated pursuant to the laws of the United States, as now or  
3366 hereafter amended, are not foreign corporations or foreign  
3367 associations. Unless otherwise restricted by laws of the United  
3368 States, the depositors, members and stockholders of federal  
3369 associations shall possess all of the rights, privileges and  
3370 benefits, duties and obligations that are now or may hereafter be  
3371 provided by the laws of this state for depositors, members and  
3372 stockholders of associations organized under the laws of this  
3373 state; unless otherwise restricted by the laws of the United  
3374 States, federal associations shall possess all of the benefits,  
3375 immunities, exemptions, duties and obligations that are now or may  
3376 hereafter be provided by the laws of this state for associations  
3377 organized under the laws of this state. This provision is  
3378 additional and supplemental to any provision which, by specific



3379 reference, is applicable to federal associations and the members  
3380 thereof.

3381 SECTION 100. Section 81-12-193, Mississippi Code of 1972, is  
3382 reenacted as follows:

3383 81-12-193. The department shall charge and collect for:

3384 (a) Filing articles of incorporation and issuing a  
3385 certificate of incorporation, a minimum fee of Five Hundred  
3386 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred  
3387 Dollars (\$2,500.00) as fixed by the commissioner.

3388 (b) For filing annual reports, the commissioner shall  
3389 assess every association organized under the laws of this state  
3390 engaging in the business of an association, and every foreign  
3391 association qualified to do business in this state under the  
3392 provisions of Section 81-12-187, in accordance with the following  
3393 schedule, setting forth the maximum that may be assessed:

3394 (i) Seventy-five Dollars (\$75.00).

3395 (ii) Every such association whose total assets  
3396 exceed One Hundred Thousand Dollars (\$100,000.00) shall further  
3397 pay in addition to the minimum assessment of Seventy-five Dollars  
3398 (\$75.00), Fifty Cents (50¢) for each One Thousand Dollars  
3399 (\$1,000.00) or fraction thereof of assets in excess of One Hundred  
3400 Thousand Dollars (\$100,000.00). All money accruing from such  
3401 assessment shall be used for the maintenance of the department.

3402 (iii) The commissioner shall, during the month of  
3403 January in each year, or as soon thereafter as practicable,  
3404 prepare and send to each association a statement of the  
3405 assessments due under this section, based upon the total assets of  
3406 each association as of December 31 of the preceding year. The  
3407 assessment shall be payable in accordance with the statement so  
3408 furnished and shall be paid within ten (10) days after the date  
3409 fixed for their payment. Such assessment shall constitute a lien  
3410 on the assets of each association until paid. Any association  
3411 failing to make payment of an installment within ten (10) days as



3412 provided in this section shall be liable for a penalty of ten  
3413 percent (10%) of the amount in default for each day thereafter.  
3414 All assessments and penalties provided in this section shall be  
3415 payable as set forth in this section, and when collected by the  
3416 commissioner shall be delivered to the State Treasurer to be  
3417 placed to the credit of the account of the department.

3418 (iv) If it appears to the commissioner that the  
3419 fees assessed under this section shall produce more than the  
3420 requirements of the estimated operating budget approved for the  
3421 department for the ensuing assessment period, the commissioner  
3422 shall authorize a uniform percentage reduction to be applied to  
3423 the fees to be paid by the individual associations.

3424 (v) Associations organized and in existence as of  
3425 June 30, 1994, shall not be billed or liable for the annual report  
3426 assessment due for the close of this period only. The next annual  
3427 report assessment shall be due based upon assets as of December  
3428 31, 1994, and annually thereafter.

3429 (c) Filing articles of merger when the resulting  
3430 association is a state association, a minimum fee of Five Hundred  
3431 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred  
3432 Dollars (\$2,500.00), as fixed by the commissioner.

3433 (d) Filing an application for conversion from a  
3434 national association to a state association, a minimum fee of Five  
3435 Hundred Dollars (\$500.00) up to a maximum fee of Two Thousand Five  
3436 Hundred Dollars (\$2,500.00) as fixed by the commissioner.

3437 (e) Filing an application for a branch bank, branch  
3438 office, or drive-in teller window, a minimum fee of Two Hundred  
3439 Fifty Dollars (\$250.00) up to a maximum fee of One Thousand Five  
3440 Hundred Dollars (\$1,500.00), as fixed by the commissioner.

3441 The commissioner shall publish a schedule of fees applicable  
3442 to all associations within his jurisdiction.

3443 SECTION 101. Section 81-12-195, Mississippi Code of 1972, is  
3444 reenacted as follows:



3445           81-12-195. The offering and sale of savings accounts of any  
3446 association subject to the provisions of this chapter are hereby  
3447 exempted from all provisions of law of this state which provide  
3448 for the supervision and regulation of the sale of securities, and  
3449 the sale of any such accounts shall be legal without any action or  
3450 approval whatsoever on the part of any official authorized to  
3451 license, regulate and supervise the sale of securities.

3452           SECTION 102. Section 81-12-197, Mississippi Code of 1972, is  
3453 reenacted as follows:

3454           81-12-197. No public officer qualified to take  
3455 acknowledgments or proofs of written instruments shall be  
3456 disqualified from taking the acknowledgment or proof of any  
3457 instrument in writing in which an association is interested by  
3458 reason of his membership in or employment by an association so  
3459 interested, and any such acknowledgments or proofs heretofore  
3460 taken are hereby validated.

3461           SECTION 103. Section 81-12-199, Mississippi Code of 1972, is  
3462 reenacted as follows:

3463           81-12-199. Whoever willfully and knowingly makes, issues,  
3464 circulates, transmits or causes to be made any statement, written,  
3465 printed, reproduced in any manner, or by word of mouth, which is  
3466 untrue in fact and is directly false and malicious in that it is  
3467 calculated to injure the reputation or business of any  
3468 association, federal association, federal home loan bank, the  
3469 appropriate federal regulatory authority, or the Federal Deposit  
3470 Insurance Corporation, shall upon conviction be fined not more  
3471 than One Thousand Dollars (\$1,000.00) or imprisoned for not more  
3472 than one (1) year, or both.

3473           SECTION 104. Section 81-12-201, Mississippi Code of 1972, is  
3474 reenacted as follows:

3475           81-12-201. From and after July 1, 1977, no person, whether  
3476 or not incorporated, other than a bank or credit union organized  
3477 under the laws of this state or of the United States, or an



3478 association organized under the laws of this state or of the  
3479 United States, shall advertise by newspaper, radio, television, or  
3480 other commercial media for deposits of money from the public. The  
3481 commissioner shall have authority to enforce this prohibition by  
3482 injunctive relief in the chancery court in which any such person  
3483 may be a resident or domiciled.

3484 SECTION 105. Section 81-12-203, Mississippi Code of 1972, is  
3485 reenacted as follows:

3486 81-12-203. (1) The name, rights, powers, privileges and  
3487 immunities of every savings association heretofore incorporated in  
3488 this state shall be governed by the provisions of this chapter to  
3489 the same extent and effect as if such association had been  
3490 incorporated pursuant hereto. Every such association shall  
3491 possess the rights, powers, privileges and immunities and shall be  
3492 subject to the duties, liabilities, disabilities and restrictions  
3493 conferred and imposed by this chapter, notwithstanding anything to  
3494 the contrary in its certificates of incorporation, bylaws,  
3495 constitution or rules.

3496 (2) All obligations to any such association heretofore  
3497 contracted shall be enforceable by it and in its name, and  
3498 demands, claims and rights of action against any such association  
3499 may be enforced against it as fully and completely as they could  
3500 have been enforced heretofore.

3501 SECTION 106. Section 81-12-205, Mississippi Code of 1972, is  
3502 reenacted as follows:

3503 81-12-205. Any interested person aggrieved by any final  
3504 rule, regulation or order of the commissioner or the board, shall  
3505 have the right, regardless of the amount involved to appeal to the  
3506 Circuit Court of the First Judicial District of Hinds County,  
3507 except that if the appellant is an applicant for a charter the  
3508 appeal shall be taken to the circuit court of the county in which  
3509 the institution sought to be chartered would be domiciled, and if  
3510 the appellant is seeking to establish a branch office, the appeal



3511 shall be taken to the circuit court of the county in which the  
3512 branch is proposed to be located. Such appeal shall be taken and  
3513 perfected as hereinafter provided, within thirty (30) days from  
3514 the date of such final rule, regulation or order; and the circuit  
3515 court may affirm such rule, regulation or order, or reverse same  
3516 for further proceedings as justice may require. All such appeals  
3517 shall be taken and perfected, heard and determined either in  
3518 termtime or in vacation on the record, including a transcript of  
3519 pleadings and testimony, both oral and documentary, filed and  
3520 heard before the commissioner or the board, and such appeal shall  
3521 be heard and disposed of promptly by the court as a preference  
3522 cause. In perfecting any appeal provided by this section, the  
3523 provisions of law respecting notice to the reporter and the  
3524 allowance of bills of exception, now or hereafter in force  
3525 respecting appeals from the circuit court to Supreme Court shall  
3526 be applicable. However, the reporter shall transcribe his notes  
3527 and file the transcript of the record with the commissioner or the  
3528 board within thirty (30) days after approval of the appeal bond.  
3529 Upon the filing with the commissioner or the board of a petition  
3530 for appeal to the circuit court, it shall be the duty of the  
3531 commissioner or the board, as promptly as possible, and in any  
3532 event within sixty (60) days after approval of the appeal bond, to  
3533 file with the clerk of the circuit court to which the appeal is  
3534 taken, a copy of the petition for appeal and of the rule,  
3535 regulation or order appealed from, and the original and one (1)  
3536 copy of the transcript of the record of proceedings in evidence  
3537 before the commissioner or the board. After the filing of the  
3538 petition, the appeal shall be perfected by the filing of bond in  
3539 the sum of Five Hundred Dollars (\$500.00) with two (2) good and  
3540 sufficient sureties or with a surety company qualified to do  
3541 business in Mississippi as the surety, conditioned to pay the cost  
3542 of such appeal; the bond to be approved by the commissioner or by  
3543 the clerk of the court to which such appeal is taken. The



3544 perfection of an appeal shall not stay or suspend the operation of  
3545 any rule, regulation or order of the commissioner or the board,  
3546 but the judge of the circuit court to which the appeal is taken  
3547 may award a writ of supersedeas to any rule, regulation or order  
3548 of the commissioner or the board after five (5) days' notice to  
3549 the commissioner or the board and after hearing. Any order or  
3550 judgment staying the operation of any rule, regulation or order of  
3551 the commissioner or the board shall contain a specific finding,  
3552 based upon evidence submitted to the circuit judge and identified  
3553 by reference thereto, that great or irreparable damage would  
3554 result to the appellant if he is denied relief, and the stay shall  
3555 not become effective until a supersedeas bond shall have been  
3556 executed and filed with and approved by the clerk of the court  
3557 payable to the state. The bond shall be in an amount fixed by the  
3558 circuit judge and conditioned as the circuit judge may direct in  
3559 the order granting the supersedeas.

3560 SECTION 107. Section 81-12-207, Mississippi Code of 1972, is  
3561 reenacted as follows:

3562 81-12-207. Where no other criminal penalty is specifically  
3563 provided in this chapter, if any association or its agents,  
3564 attorneys or solicitors, officers or directors, or any other  
3565 person shall solicit or negotiate any deposit of money or in  
3566 anywise transact any business regulated hereunder in this state  
3567 without having first fully complied in good faith with the  
3568 provisions of this chapter, such association and any such person,  
3569 upon conviction, shall be punished by a fine of not more than Five  
3570 Thousand Dollars (\$5,000.00) or imprisonment for not more than  
3571 five (5) years, or both.

3572 SECTION 108. Section 81-12-209, Mississippi Code of 1972, is  
3573 amended as follows:

3574 81-12-209. Sections 81-12-1 through 81-12-207, Mississippi  
3575 Code of 1972, which provide for the regulation of savings  
3576 associations, shall stand repealed as of December 31, 2002.



3577 SECTION 109. This act shall take effect and be in force from  
3578 and after July 1, 2001.

