

By: Representative Ford

To: Banks and Banking

HOUSE BILL NO. 463  
(As Passed the House)

1 AN ACT TO REENACT SECTIONS 81-12-1 THROUGH 81-12-207,  
2 MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR THE REGULATION OF  
3 SAVINGS ASSOCIATIONS; TO REPEAL SECTION 81-12-209, MISSISSIPPI  
4 CODE OF 1972, WHICH IS A REPEALER ON THE STATUTES PROVIDING FOR  
5 THE REGULATION OF SAVINGS ASSOCIATIONS; AND FOR RELATED PURPOSES.

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

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

9 81-12-1. This chapter shall be cited as the "Savings  
10 Association Law."

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

13 81-12-3. When used in this chapter, the following words and  
14 phrases shall have the following meanings, except to the extent  
15 that any such word or phrase specifically is qualified by its  
16 context:

17 (a) "Association" means a savings association or  
18 savings and loan association subject to provisions of this  
19 chapter.

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

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

23 (d) "Commissioner" means the Commissioner of Banking  
24 and Consumer Finance.

25 (e) "Community" means a centralized area or locality in  
26 which the inhabitants have common residential, social or business  
27 interests. The term is not restricted to a municipal corporation  
28 or other political subdivision; a community need not be limited by

29 lines and boundaries. A city, town or other governmental unit,  
30 either incorporated or unincorporated, may constitute one (1)  
31 community; a large, populous area under one or more forms of  
32 government may comprise one (1) or several communities.

33 (f) "Department" means the Department of Banking and  
34 Consumer Finance.

35 (g) "Earnings" means that part of the "sources  
36 available for payment of earnings" as defined herein which is  
37 declared payable on savings accounts from time to time by the  
38 board of directors. Earnings also may be referred to as  
39 "interest."

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

42 (i) "Impaired condition" means a condition in which the  
43 assets of an association in the aggregate do not have a fair value  
44 equal to the aggregate amount of liabilities of the association to  
45 its creditors, including its members and all other persons, or a  
46 condition in which the association shall be unable to pay when due  
47 current withdrawal requests by its members or depositors.

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

51 (k) "Liquid assets" means cash on hand, cash on deposit  
52 in federal home loan banks, in state banks performing similar  
53 reserve functions, or in commercial banks insured by the Federal  
54 Deposit Insurance Corporation, which is not pledged as security  
55 for indebtedness; except that any deposits in a bank under the  
56 control or in the possession of any supervisory authority shall  
57 not be considered as liquid assets; loans immediately available or  
58 federal funds on a day-to-day basis to a bank insured by the  
59 Federal Deposit Insurance Corporation; and direct obligations of,  
60 or obligations which are fully guaranteed as to principal and

61 interest by, the United States or agencies or instrumentalities  
62 thereof or this state.

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

72 (m) "Mutual association" means an association composed  
73 of members which is not a capital stock association as authorized  
74 by this chapter.

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

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

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

94 (10%) or more of the capital stock, is also a beneficiary,  
95 partner, member or record or beneficial stockholder owning ten  
96 percent (10%) or more of the capital stock of such obligor. A  
97 guarantor or endorser shall be considered an obligor.

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

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

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

115 (t) "Savings account" means that part of the savings  
116 liability of the association which is credited to the account of  
117 the holder thereof. A savings account also may be referred to as  
118 a deposit.

119 (u) "Savings institution" means either an association  
120 or a savings bank.

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

124 (w) "Service organization" means an organization,  
125 substantially all the activities of which consist of originating,  
126 purchasing, selling and servicing loans upon real estate and

127 participating interests therein, or clerical, bookkeeping,  
128 accounting, statistical or similar functions performed primarily  
129 for associations, and such other activities as the commissioner,  
130 by regulation, may approve, which are directly related to real  
131 estate development and the servicing of real estate loans.

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

137 (y) "Thrift institution" means a savings bank, bank for  
138 savings, a homestead association, a savings and loan association,  
139 a building and loan association, a federal savings association, a  
140 federal savings and loan association, and a supervised thrift and  
141 residential financing institution of a substantially similar  
142 nature, but shall not include a banking association organized  
143 under the laws of the United States or a bank organized under the  
144 laws of this state or any other state.

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

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

150 81-12-4. All the provisions of law relating to private  
151 corporations operating in this state which are not inconsistent  
152 with this chapter, or with the proper business of depository  
153 institutions, shall be applicable to all savings and loan  
154 associations.

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

157 81-12-6. The Department of Savings Institutions and the  
158 Savings Institution Board are abolished, and all of the powers,  
159 duties, property, contractual rights and obligations and

160 unexpended funds of that department and board shall be transferred  
161 to the Department of Banking and Consumer Finance, Commissioner of  
162 Banking and Consumer Finance and State Board of Banking Review as  
163 provided in this chapter.

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

166 81-12-7. The commissioner shall have such rights, powers and  
167 privileges and shall be subject to such duties as are provided by  
168 this chapter, and shall make such other provisions for the orderly  
169 conduct of the business of the department under this chapter as he  
170 deems necessary. The commissioner shall have the authority and  
171 duty to make, after notice and hearing, such reasonable rules,  
172 regulations and orders as required by this chapter and as may be  
173 necessary from time to time to administer and enforce this  
174 chapter. The commissioner shall give at least thirty (30) days'  
175 notice of any proposed rule or regulation by publication not less  
176 than one (1) time in a newspaper having statewide circulation and,  
177 in addition, shall give such notice of the proposed rule or  
178 regulation by United States mail, postage prepaid, to each thrift  
179 institution in this state and to such others as he deems necessary  
180 or advisable and shall file such notice in his office. Any  
181 savings institution may propose rules or regulations for  
182 consideration by the commissioner. The commissioner shall  
183 maintain in his office permanent records of his hearings and  
184 decisions. Notice of the adoption of any rule or regulation shall  
185 be sent by United States mail, postage prepaid, to each thrift  
186 institution within ten (10) days of its adoption.

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

189 81-12-9. The determination by the commissioner upon any  
190 matter decided by him shall be final, subject to review by the  
191 courts as provided herein.

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

194 81-12-11. The department is charged with the execution of  
195 all laws relating to institutions carrying on a savings and loan  
196 business in this state.

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

199 81-12-17. (1) The commissioner, deputy commissioner and  
200 examiners shall not be interested in a savings institution,  
201 directly or indirectly, either as creditor (except that each may  
202 be a savings account holder and receive earnings thereon),  
203 director, officer, employee, borrower (except that each may be a  
204 borrower as to a single home in which he actually resides or has  
205 resided), trustee or attorney, nor shall any one (1) of them  
206 receive, directly or indirectly, any payment, compensation or  
207 gratuity from any savings institution.

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

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

222 81-12-21. (1) Within sixty (60) days after July 1, 1977,  
223 the funds, books, records, documents, equipment, and supplies of  
224 every such office and officer created or appointed by Chapter 11,

225 Title 81, Mississippi Code of 1972, shall be transferred, pursuant  
226 to orders of the Governor, to the office of the commissioner.

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

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

234 81-12-23. (1) The commissioner shall have general  
235 supervision over all associations and corporations which are  
236 subject to the provisions of this chapter. He shall enforce the  
237 provisions of this chapter by use of the powers herein conferred;  
238 and he is hereby vested with the authority to require such  
239 associations and corporations to correct violations of this  
240 chapter. Upon a finding that it is necessary and appropriate to  
241 further the objective of this chapter, the commissioner may order  
242 that improper entries found on the books and records of an  
243 association be corrected.

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

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

253 81-12-24. (1) If, in the commissioner's opinion, after an  
254 examination, audit, or investigation, it is determined that any  
255 director or officer or any employee or controlling stockholder of  
256 any association has knowingly participated in or consented to any  
257 violation of this chapter, or any other law, rule, regulation or

258 order, or any repeated violation of or failure to comply with any  
259 association's bylaws, and that as a result, a situation exists  
260 requiring immediate corrective action, the commissioner shall give  
261 notice to the board of directors of the association setting forth  
262 the violations and the remedies for same. Failure of the board of  
263 directors to comply with the requirements of the commissioner  
264 within ten (10) days from the date of the notice shall render the  
265 board of directors in default thereupon. Upon the expiration of  
266 such ten (10) days and upon continuation of such noncompliance and  
267 default, the commissioner may issue an order temporarily removing  
268 such person or persons cited for improper conduct as above  
269 described pending a hearing before the commissioner. In regard to  
270 a controlling stockholder, the commissioner may order the  
271 stockholder to place all his voting stock in a voting trust, the  
272 trustee of the voting trust to be designated by the commissioner.  
273 Any temporary order of removal shall state its duration on its  
274 face and the words "Temporary Order of Removal" and shall be  
275 effective upon issuance for a period of thirty (30) days and may  
276 be extended once upon written notice by the commissioner for an  
277 additional period of fifteen (15) days. A hearing upon such  
278 "Temporary Order of Removal" shall be held by the commissioner  
279 within the thirty-day period, or any extension thereof, upon not  
280 less than fifteen (15) days' notice to the removed person or  
281 persons by certified United States mail, restricted delivery, at  
282 which hearing the commissioner may dissolve the temporary order or  
283 make the same permanent. No removed person or persons shall  
284 receive any salary, compensation or remuneration from the  
285 association as an officer or director after the order is made  
286 permanent. Any temporary order of removal by the commissioner  
287 shall not be subject to judicial review in any form. Any final  
288 order of the commissioner may be appealed as provided in Section  
289 81-12-205.

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

294 (3) Without the prior written approval of the commissioner,  
295 no director or officer removed pursuant to this section shall be  
296 eligible to be elected or reelected to any position as an officer  
297 or director of that association nor shall such an officer or  
298 director be eligible to be elected to or retain a position as an  
299 officer or director of any other association or financial  
300 institution.

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

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

313 81-12-25. Any five (5) or more individuals (hereinafter  
314 referred to as the "incorporators"), citizens of this state, may  
315 form a mutual association or capital stock association to promote  
316 thrift and home financing, subject to approval as hereinafter  
317 provided in this chapter, by filing with the commissioner, two (2)  
318 sworn duplicate originals of a petition for a certificate of  
319 incorporation in the form to be prescribed by the commissioner,  
320 accompanied by the proposed articles of incorporation and proposed  
321 bylaws, each in a form approved by the commissioner and  
322 accompanied by the incorporation fee. The proposed bylaws shall

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

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

338 81-12-27. Upon receipt of a petition for a certificate of  
339 incorporation, including supporting data, the commissioner shall  
340 promptly give consideration to the petition and make an  
341 examination of the proposed articles of incorporation to determine  
342 if they meet all requirements of law. The commissioner shall then  
343 make an investigation to determine that the prerequisites of this  
344 chapter have been complied with and that:

345 (a) The character, responsibility and general fitness  
346 of the persons named in the petition are such as to command  
347 confidence and warrant belief that the business of the proposed  
348 association will be honestly and efficiently conducted in  
349 accordance with the intent and purpose of this chapter, and that  
350 the proposed association will have qualified full-time management;

351 (b) There is public need for the proposed association  
352 and the interest of the public will be best served by granting the  
353 petition;

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

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

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

363           81-12-29. (1) Upon receipt of a petition for a certificate  
364 of incorporation to form an association, the complete filing and  
365 filing date to be determined by the commissioner, the commissioner  
366 shall, within fifteen (15) days of the determined filing date,  
367 give written notice to all financial institutions in the county in  
368 which the proposed association is to be located and to all  
369 financial institutions in the counties bordering the county in  
370 which the proposed association is to be located. Notice shall  
371 also be sent to all interested persons and shall be published one  
372 (1) time in a newspaper of general circulation in the county in  
373 which the proposed association is to be located. Such notice  
374 shall include the subject matter of the petition and shall invite  
375 persons to be heard by the board by sworn written statement or in  
376 person. Any financial institution opposing approval of the  
377 petition of incorporation shall file a sworn written statement of  
378 such opposition with the commissioner not later than the date  
379 fixed therefor by the commissioner in his notice. The statement  
380 of opposition shall set forth in summary form specific objections  
381 to the incorporation of the proposed association. The protestant  
382 shall, at the same time its statement of opposition is filed with  
383 the commissioner, furnish the petitioner a copy of such statement  
384 by first class United States mail. The protestant shall certify  
385 to the commissioner that he has furnished such statement to the  
386 petitioner.

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

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

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

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

406           81-12-31. The board, at its meeting, shall consider the  
407 findings and recommendation of the commissioner and shall hear  
408 such oral testimony as he may wish to give or be called upon to  
409 give, and shall also receive information and hear testimony from  
410 the prospective incorporators of the proposed association and from  
411 any and all other interested persons bearing upon the approval of  
412 the petition and the operation of the new association. All  
413 witnesses shall be subject to cross-examination by any of the  
414 parties who are incorporators or objectors or by the board. After  
415 considering the findings, and recommendation submitted to it by  
416 the commissioner and his oral testimony, if any, and considering  
417 such other information and evidence, either written or oral, which  
418 has come before it, the board shall decide if it has before it  
419 sufficient information and evidence upon which it can dispose of

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

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

444 81-12-33. (1) The commissioner shall file one (1) signed  
445 copy of such certificate of approval and of the certificate of  
446 incorporation with the Secretary of State. The commissioner shall  
447 endorse upon the two (2) copies of the petition for certificate of  
448 incorporation filed with him such certificate of approval and  
449 return the duplicate original and a copy of the certificate of  
450 incorporation to the association, addressed to the chairman of the  
451 incorporators, and shall retain the original petition for  
452 certificate of incorporation and a copy of the certificate of

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

464 (2) The corporate existence of an association shall begin on  
465 the date the commissioner issues the certificate of incorporation  
466 of the association.

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

469 81-12-35. (1) A mutual association shall be organized in  
470 accordance with this section. The incorporators shall appoint one  
471 (1) of their number as chairman of the incorporators. The  
472 incorporators, before a certificate of incorporation is issued,  
473 shall pay in cash to such chairman, as subscription to the savings  
474 accounts of any proposed association, including that part of the  
475 original subscription paid by such chairman, an aggregate amount,  
476 fixed as follows in relation to the population of the municipality  
477 in which the home office of the association is to be located: (a)  
478 in municipalities having not more than twenty-five thousand  
479 (25,000) inhabitants, the minimum sum of Five Hundred Thousand  
480 Dollars (\$500,000.00); (b) in municipalities having more than  
481 twenty-five thousand (25,000), but not more than one hundred  
482 thousand (100,000) inhabitants, the minimum sum of One Million  
483 Dollars (\$1,000,000.00); (c) in municipalities having one hundred  
484 thousand (100,000) or more inhabitants, the minimum sum of One  
485 Million Five Hundred Thousand Dollars (\$1,500,000.00). The

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

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

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

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

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

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

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

541 81-12-37. A capital stock association shall be organized in  
542 accordance with this section. The incorporators shall appoint one  
543 (1) of their number as chairman of the incorporators. The capital  
544 of a capital stock association shall be the sum of the par value  
545 of all shares of voting capital stock. The minimum required  
546 capital shall be: (a) in municipalities having not more than  
547 twenty-five thousand (25,000) inhabitants, the minimum sum of Five  
548 Hundred Thousand Dollars (\$500,000.00); (b) in municipalities  
549 having more than twenty-five thousand (25,000), but not more than  
550 one hundred thousand (100,000) inhabitants, the minimum sum of One  
551 Million Dollars (\$1,000,000.00); (c) in municipalities having more

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

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

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

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

584           81-12-39. (1) After approval by the board of the petition  
585 for a certificate of incorporation, the proposed capital stock  
586 association shall file with the commissioner a statement in such  
587 form and with such supporting data and proof as it may require,  
588 showing that the entire capital including paid-in surplus has been  
589 fully and unconditionally paid in lawful cash money and that the  
590 funds representing such capital and paid-in surplus, less sums of  
591 the paid-in surplus spent with the approval of the commissioner  
592 for land, building, supplies, fixtures, equipment and  
593 organization, are on hand and that it has acquired insurance of  
594 accounts as provided in this chapter. If the board finds that the  
595 capital stock association has in good faith complied with all the  
596 requirements of law, it shall, within thirty (30) days after the  
597 filing of the said statement issue, in duplicate, under its  
598 official seal, a certificate of authorization to transact a  
599 general savings and loan business, transmitting one (1) copy to  
600 the association and placing one (1) copy in the department file.  
601 Said certificate shall state that the association named therein is  
602 authorized to transact a general savings and loan business. Should  
603 the board find that said statement does not comply with the law,  
604 it shall so notify the association and require such compliance as  
605 it finds necessary.

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

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

613           81-12-41. (1) The name of every association may include  
614 either the words "savings association," or "savings and loan  
615 association." If used, these words shall be preceded by an  
616 appropriate descriptive word or words approved by the

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

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

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

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

678 81-12-43. (1) Without the prior approval of the  
679 commissioner or the board, as provided in this chapter, no  
680 association shall change its name or establish any office other  
681 than its home office, which shall be in the location named in the

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

684 (2) The name or the location of the home office of any  
685 association fixed in the certificate of incorporation may be  
686 changed in the following manner:

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

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

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

717           (ii) Whenever the commissioner shall receive from  
718 any association pursuant to item (i) of this paragraph (b) an  
719 application for change of location of its home office to a  
720 municipality other than that in which it is located, he shall make  
721 a determination based upon the criteria set out in Section  
722 81-12-27 in the case of establishment of a newly chartered  
723 association, and thereafter a hearing shall be held in the manner,  
724 within the time and on the notice provided for in Section 81-12-29  
725 and no change of location shall be made without approval of the  
726 board.

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

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

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

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

752 81-12-45. Any association which obtains its charter of  
753 incorporation subsequent to July 1, 1977, and which shall not  
754 commence business within six (6) months after the date upon which  
755 its corporate existence shall have begun, shall forfeit its  
756 corporate existence, unless the commissioner, before the  
757 expiration of such period of six (6) months shall have approved  
758 the extension of time within which it may commence business not to  
759 exceed ninety (90) days, upon a written application stating the  
760 reasons for such delay. Upon such forfeiture the certificate of  
761 incorporation shall expire, and all action taken in connection  
762 with the incorporation thereof, except the payment of the  
763 incorporation fee, shall become void. Amounts credited on savings  
764 accounts, less expenditures authorized by law, shall be returned  
765 pro rata to the respective holders thereof.

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

768 81-12-47. (1) Each association which obtained its charter  
769 of incorporation prior to July 1, 1977, and was organized and  
770 engaged in business on July 1, 1977, must submit evidence  
771 satisfactory to the commissioner that it has:

772 (a) Obtained insurance of its savings accounts and  
773 share accounts by the Federal Deposit Insurance Corporation or an  
774 agency of this state established for the purpose of insuring  
775 savings accounts of associations organized under this chapter; or

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

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

781 Insurance Corporation or by some other federal agency or an agency  
782 of this state established for the purpose of insuring savings  
783 accounts of associations organized under this chapter; provided  
784 any merger into, acquisition by or consolidation with an insured  
785 association must have prior approval of the board; or

786 (d) Entered into voluntary or involuntary liquidation.

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

796 (3) No association that obtained its charter prior to July  
797 1, 1977, but which was not organized and engaged in business on  
798 July 1, 1977, shall accept deposits unless and until it first  
799 complies with subsection (2) of this section, and any additional  
800 requirements imposed as to charters granted after July 1, 1977.

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

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

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

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

838 81-12-49. Every association incorporated pursuant to or  
839 operating under the provisions of this chapter shall have all the  
840 powers enumerated, authorized and permitted by this chapter and  
841 such other rights, privileges and powers as may be incidental to  
842 or reasonably necessary for the accomplishment of the objects and  
843 purposes of this chapter. Every association shall have the  
844 following powers:

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

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

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

853 (c) To acquire, hold, sell, dispose of and convey real  
854 and personal estate incidental to its business as a thrift  
855 institution, to mortgage, pledge or lease real or personal estate,  
856 and to take property by gifts, devise or bequest, provided that  
857 such powers are consistent with the objects and powers granted by  
858 this chapter;

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

875 (e) An association may borrow up to twenty-five percent  
876 (25%) of its savings liability and net worth for lending purposes;  
877 an association may borrow an additional twenty-five percent (25%)  
878 of its savings liability and net worth for the purpose of making  
879 loans guaranteed by the Federal Housing Administration, a private

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

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

891 permitted. For the purpose of this paragraph, use of savings  
892 accounts in the association shall not be considered borrowing;

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

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

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

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

912           (j) To become a member of, deal with or make reasonable  
913 payments or contributions to any organization to the extent that  
914 such organization assists in furthering or facilitating the  
915 association's purposes, powers or community responsibilities, and  
916 to comply with any reasonable conditions of eligibility;

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

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

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

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

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

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

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

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

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

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

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

966           81-12-51. A capital stock savings and loan association  
967 (hereinafter referred to as a "capital stock association") shall  
968 have the powers enumerated in the preceding section, and shall  
969 have the following additional powers:

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

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

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

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

997           (iii) Except for stock issued pursuant to a plan  
998 of merger, consolidation or conversion from a mutual to a stock  
999 association or other type of reorganization which has been  
1000 approved as provided herein, the consideration for the issuance of  
1001 voting capital stock, the par value of which shall be maintained  
1002 as the permanent capital of the association, except as otherwise  
1003 provided in subparagraph (a)(iv) of this section, shall be paid in  
1004 cash, and any excess shall be credited to paid-in surplus which  
1005 shall not be available for dividends or other distribution to  
1006 stockholders, except upon liquidation.

1007           (iv) Except as provided herein, the total of the  
1008 par values of all outstanding shares of voting capital stock shall  
1009 be the permanent capital of the association and shall not be  
1010 retired until final liquidation of the association.

1011 Notwithstanding the foregoing limitation, a capital stock  
1012 association may reduce its permanent capital through a reduction  
1013 of its outstanding voting capital stock pursuant to a plan adopted  
1014 by its board of directors, and approved by an affirmative vote of  
1015 a majority of the shares eligible to vote, and by an affirmative  
1016 vote of two-thirds (2/3) of those shares present and voting, in  
1017 person or by proxy, at an annual or special meeting of the  
1018 stockholders of the association. In the event approval of any  
1019 such plan for the reduction of stock as herein provided shall  
1020 result in fractional shares, the association may acquire such  
1021 fractional shares of its own stock by tender of payment of the  
1022 price per share prior to such reduction as stipulated in the plan.  
1023 Such tender may be made by bank check drawn upon association funds  
1024 payable to the record holders of such fractional shares and mailed  
1025 United States postage prepaid to such holders at the last address  
1026 of record with the association. Pursuant to such plan, a capital  
1027 stock association may purchase or redeem whole shares of its own  
1028 stock at the price per share stipulated in the plan upon written  
1029 assent of the holders thereof prior to such reduction. No plan  
1030 for the reduction of the permanent capital or outstanding voting  
1031 capital stock of an association shall be effective without first  
1032 obtaining the written consent of the commissioner.

1033 (v) Unless otherwise provided by the articles of  
1034 incorporation, every stockholder, upon the sale for cash of any  
1035 new stock of the same kind, class or series as that which he  
1036 already holds, shall have the right to purchase his pro rata share  
1037 thereof, as nearly as may be done without issuance of fractional  
1038 shares, at the price at which it is offered to others, which price  
1039 must be in excess of par.

1040 (vi) An association shall not make a loan secured  
1041 by the pledge of its capital stock.

1042 (vii) A capital stock association may sell any  
1043 authorized but unissued shares of capital stock for cash at a

1044 price which must be in excess of par. No incentive stock shall be  
1045 issued. Subject to the requirements of Section 81-12-51(a)(v), an  
1046 association may employ an agent to sell those shares of authorized  
1047 capital stock not necessary to meet the minimum capital and  
1048 paid-in surplus requirements of Section 81-12-37, provided that  
1049 the proposed agreement with the agent for the sale of such stock  
1050 is approved by the commissioner before the association enters into  
1051 such agreement.

1052 (b) No capital stock savings and loan association shall  
1053 declare or pay any dividend upon its common stock unless such  
1054 association has received written approval by the Commissioner of  
1055 Banking and Consumer Finance. Directors declaring a dividend in  
1056 violation of the provisions of this section shall be personally  
1057 liable to the full amount of the dividend so declared and it shall  
1058 be the duty of the commissioner, upon discovering the payment of  
1059 any such dividend, to forthwith make demand upon the directors  
1060 that the same be restored to the association, and upon their  
1061 failure so to do he shall cause suit to be brought against them in  
1062 the chancery court of the county in which the association is  
1063 located, either in his name or in the name of the association, to  
1064 recover the same for the benefit of the association.

1065 SECTION 26. Section 81-12-53, Mississippi Code of 1972, is  
1066 reenacted as follows:

1067 81-12-53. At an annual meeting or at any special meeting of  
1068 the members called to consider such action, any mutual association  
1069 as defined in this chapter may convert itself into a federal  
1070 mutual savings association or federal mutual savings and loan  
1071 association, hereinafter in this subsection called "federal  
1072 association," in accordance with the provisions of the laws of the  
1073 United States, as now or hereafter amended, upon an affirmative  
1074 vote of fifty-one percent (51%) or more of the total number of  
1075 votes of the members eligible to be cast. A copy of the minutes  
1076 of the proceedings of such meeting of the members, verified by the

1077 affidavit of the secretary or an assistant secretary, shall be  
1078 filed in the office of the commissioner within ten (10) days after  
1079 the date of such meeting. A sworn copy of the proceedings of such  
1080 meeting, when so filed, shall be presumptive evidence of the  
1081 holding and action of such meeting. Any member challenging the  
1082 accuracy of such minutes by sworn objection may appeal to the  
1083 commissioner. Within three (3) months after the date of such  
1084 meeting, the association shall take such action in the manner  
1085 prescribed and authorized by the laws of the United States as  
1086 shall make it a federal association. There shall be filed with  
1087 the commissioner a copy of the charter issued to such federal  
1088 association by the appropriate federal regulatory authority or a  
1089 certificate showing the organization of such association as a  
1090 federal association, certified by the secretary or assistant  
1091 secretary of the appropriate federal regulatory authority. A  
1092 similar copy of the charter, or of such certificate, shall be  
1093 filed by the association with the Secretary of State. No failure  
1094 to file any such instruments with either the commissioner or the  
1095 Secretary of State shall affect the validity of such conversion.  
1096 Upon the grant to any association of a charter by the appropriate  
1097 federal regulatory authority, the association receiving such  
1098 charter shall cease to be an association incorporated under this  
1099 chapter and shall no longer be subject to the supervision and  
1100 control of the commissioner. Upon the conversion of any  
1101 association into a federal association, the corporate existence of  
1102 such association shall not terminate, but such federal association  
1103 shall be deemed to be a continuation of the entity of the  
1104 association so converted and all property of the converted  
1105 association, including its rights, titles and interests in and to  
1106 all property of whatever kind, whether real, personal or mixed,  
1107 and things in action, and every right, privilege, interest and  
1108 asset then existing, or pertaining to it, or which may inure to  
1109 it, shall immediately by operation of law and without any

1110 conveyance or transfer and without any further act or deed remain  
1111 and be vested in and continue and be the property of such federal  
1112 association into which the association has converted itself, and  
1113 such federal association shall have, hold and enjoy the same in  
1114 its own right as fully and to the same extent as the same was  
1115 possessed, held and enjoyed by the converting association, and  
1116 such federal association, as of the time of the taking effect of  
1117 such conversion, shall continue to have and succeed to all the  
1118 rights, obligations and relations of the converting association.  
1119 All pending actions and other judicial proceedings to which the  
1120 converting association is a party shall not be deemed to have  
1121 abated or to have discontinued by reason of such conversion, but  
1122 may be prosecuted to final judgment, order or decree in the same  
1123 manner as if such conversion into such federal association had not  
1124 been made and such federal association resulting from such  
1125 conversion may continue such action in its corporate name as a  
1126 federal association, and any judgment, order or decree may be  
1127 rendered for or against it which might have been rendered for or  
1128 against the converting association theretofore involved in such  
1129 judicial proceedings. Any association or corporation which has  
1130 heretofore converted itself into a federal association under the  
1131 provisions of the laws of the United States and has received a  
1132 charter from the appropriate federal regulatory authority shall  
1133 hereafter be recognized as a federal association, and its federal  
1134 charter shall be given full recognition by the courts of this  
1135 state to the same extent as if such conversion had taken place  
1136 under the provisions of this section; however, there shall have  
1137 been compliance with the foregoing requirements with respect to  
1138 the filing with the commissioner of a copy of the federal charter  
1139 or a certificate showing the organization of such association as a  
1140 federal association.

1141 SECTION 27. Section 81-12-55, Mississippi Code of 1972, is  
1142 reenacted as follows:

1143           81-12-55. At an annual meeting or at any special meeting of  
1144 the members or stockholders called to consider such action, any  
1145 federal mutual or capital stock savings association or federal  
1146 mutual or capital stock savings and loan association, hereinafter  
1147 in this subsection called "federal association," may apply for  
1148 conversion into a state-chartered association under this chapter  
1149 upon an affirmative vote of fifty-one percent (51%) or more of the  
1150 total number of votes of the members eligible to be cast or an  
1151 affirmative vote of sixty-six and two-thirds percent (66-2/3%) or  
1152 more of all the issued and outstanding stock of such federal  
1153 association. Upon such affirmative vote, the federal association  
1154 may apply for a certificate of authority by filing with the  
1155 commissioner a certificate signed by its president or secretary  
1156 which sets forth the corporate action herein prescribed and  
1157 asserts that the institution has complied with the provisions of  
1158 the laws of the United States. The federal association shall also  
1159 file with the commissioner the plan of conversion and the proposed  
1160 amendments to its articles of association as approved by the  
1161 members or stockholders for the operation of the association as a  
1162 state-chartered association. Upon receipt of such application,  
1163 the commissioner shall examine all facts associated with the  
1164 conversion. The expenses and costs incurred for such special  
1165 examination shall be paid by the institution applying for  
1166 permission to convert. The commissioner shall present his  
1167 findings and recommendations to the State Board of Banking Review  
1168 for consideration. Upon approval by the State Board of Banking  
1169 Review, the commissioner shall issue a certificate of authority to  
1170 the applicant allowing the conversion to proceed.

1171           SECTION 28. Section 81-12-57, Mississippi Code of 1972, is  
1172 reenacted as follows:

1173           81-12-57. If the board of directors determines, and the  
1174 commissioner concurs, that substantial business benefit to the  
1175 association will or may result, and if federal law, regulations or

1176 administrative rulings authorize federal associations to convert  
1177 to capital stock associations, the voting members of a mutual  
1178 association organized pursuant to this chapter, or otherwise  
1179 subject to the provisions of this chapter or a federal mutual  
1180 savings or savings and loan association (hereinafter in this  
1181 subsection referred to as a "federal association") located in this  
1182 state may vote to convert the association into a total or partial  
1183 capital stock association by adopting a plan of conversion which  
1184 is approved by the commissioner.

1185           (a) The plan of conversion must be approved at a  
1186 meeting of voting members called to consider such action by an  
1187 affirmative vote of fifty-one percent (51%) or more of the total  
1188 number of votes eligible to be cast. The commissioner may approve  
1189 or disapprove the plan of conversion in his discretion, but he  
1190 shall not approve the plan unless he finds that the plan is fair  
1191 and equitable to members of the association and that the interests  
1192 of the savings account holders and the public are adequately  
1193 protected. Notice of the meeting, giving the time, place and  
1194 purpose thereof, together with a proxy statement and proxy form  
1195 approved by the commissioner, covering all matters to be brought  
1196 before the meeting, shall be mailed at least thirty (30) days  
1197 prior thereto to the commissioner and to each voting member at his  
1198 last address as shown on the books of the association. The notice  
1199 shall advise the savings account holders of their right to the  
1200 public hearing provided in Section 81-12-59.

1201           (b) Copies of the minutes of the meeting of members,  
1202 verified by the affidavit of the secretary or assistant secretary  
1203 of the association, shall be filed in the office of the department  
1204 and with the appropriate federal regulatory authority within a  
1205 reasonable time after the meeting. When so filed, the verified  
1206 copies of the minutes are presumptive evidence of the holding of  
1207 the meeting and of the action taken. Any member or stockholder

1208 challenging the accuracy of such minutes by sworn objection may  
1209 appeal to the commissioner.

1210 (c) The directors of the association shall execute and  
1211 file with the supervisory authority proposed articles of  
1212 incorporation as provided for in Section 81-12-25, together with  
1213 an application for conversion and a firm commitment for, or  
1214 evidence of, insurance of deposits and other accounts of a  
1215 withdrawable type. The articles shall contain a statement that  
1216 the corporation resulted from the conversion of a mutual or  
1217 federal association to a capital stock association. If approved  
1218 by the commissioner, he shall affix the same to the articles of  
1219 incorporation. An authenticated copy of the articles of  
1220 incorporation shall be filed with the Secretary of State and one  
1221 (1) copy of the articles of incorporation and the certificate of  
1222 incorporation shall be returned to the association. The  
1223 association shall cease to be a mutual association at the time and  
1224 on the date specified in the approved articles of incorporation.

1225 (d) All the provisions regarding property and other  
1226 rights contained in Section 81-12-53 shall apply to the conversion  
1227 of a mutual or federal association to a capital stock association,  
1228 so that the capital stock association shall be a continuation of  
1229 the corporate entity of the mutual or federal association and  
1230 continue to have all of its property and rights.

1231 SECTION 29. Section 81-12-59, Mississippi Code of 1972, is  
1232 reenacted as follows:

1233 81-12-59. With respect to a conversion arising under Section  
1234 81-12-57 above, the commissioner may hold a hearing upon the plan  
1235 of conversion. A hearing may be held by the commissioner on his  
1236 own motion or upon application of the converting association or  
1237 any member thereof and shall be held upon application by the  
1238 holders of five percent (5%) or more in amount of the  
1239 association's savings accounts. All persons to whom it is  
1240 proposed to issue capital stock in connection with the conversion

1241 may appear at any hearing, and notice of the time and place of the  
1242 hearing shall be given to all such persons in person or by mail at  
1243 least thirty (30) days before the hearing by the association.  
1244 Evidence satisfactory to the commissioner that the notice has been  
1245 given shall be submitted to the commissioner at least ten (10)  
1246 days prior to the hearing. Following the hearing, the  
1247 commissioner may approve the terms of the plan of conversion, may  
1248 reject the same or approve the same upon condition that portions  
1249 thereof may be modified. All costs to the state resulting from  
1250 conversions under this section shall be paid by the association  
1251 making application for conversion.

1252 SECTION 30. Section 81-12-61, Mississippi Code of 1972, is  
1253 reenacted as follows:

1254 81-12-61. (1) A capital stock association organized under  
1255 this chapter may vote to convert itself into a federal mutual or  
1256 capital stock savings or savings and loan association, hereinafter  
1257 in this subsection referred to as a "federal association," at any  
1258 legal meeting called to consider the action. The required  
1259 affirmative vote to effect the conversion shall be not less than  
1260 sixty-six and two-thirds percent (66-2/3%) of the issued and  
1261 outstanding stock of such association. Notice of the meeting  
1262 giving the time, place and purpose thereof, together with a proxy  
1263 statement and proxy form covering all matters properly brought  
1264 before the meeting shall be mailed at least thirty (30) days prior  
1265 thereto to the commissioner and the appropriate federal regulatory  
1266 authority and to each stockholder at his last address as shown on  
1267 the books of the association. A copy of the minutes of the  
1268 proceedings of the meeting, verified by the affidavit of the  
1269 secretary or an assistant secretary of the association, shall be  
1270 filed in the office of the commissioner within ten (10) days after  
1271 the date of the meeting. When filed, a verified copy of the  
1272 proceedings of the meeting is presumptive evidence of the holding  
1273 of the meeting and of the action taken. Any stockholder

1274 challenging the accuracy of such minutes by sworn objection may  
1275 appeal to the commissioner. Within three (3) months after the  
1276 date of the meeting, the association shall take such further  
1277 action, in the manner prescribed and authorized by the laws of the  
1278 United States, as shall make it a federal association. Three (3)  
1279 copies of the charter issued by the appropriate federal regulatory  
1280 authority, or three (3) copies of a certificate showing the  
1281 organization of the association as a federal association,  
1282 certified by the secretary or an assistant secretary of the  
1283 appropriate federal regulatory authority shall be filed with the  
1284 commissioner. Upon the payment of the fees prescribed by law, the  
1285 commissioner shall note the filing upon each of the copies and  
1286 shall retain one (1) copy in his office, file one (1) copy with  
1287 the Secretary of State, and return one (1) copy to the  
1288 association. The failure to file the instruments with the  
1289 commissioner shall not affect the validity of the conversion.  
1290 Upon the grant to any association of a charter by the appropriate  
1291 federal regulatory authority, the association shall cease to be an  
1292 association incorporated under this chapter and shall no longer be  
1293 subject to the supervision and control of the department. All  
1294 provisions regarding property and other rights contained in  
1295 Section 81-12-53 above apply to the conversion of a capital stock  
1296 association into a federal association.

1297 (2) (a) The plan of conversion must provide:

1298 (i) That each savings account holder of the mutual  
1299 association will receive a withdrawable account in the capital  
1300 stock association equal in amount to his withdrawable account in  
1301 the mutual association;

1302 (ii) That each savings account holder of record as  
1303 provided in paragraph (iii) will be entitled to receive voting  
1304 stock or rights to purchase voting stock in equal proportion to  
1305 the amount his account bears to all savings accounts;

1306                   (iii) That the record date fixed by the  
1307 commissioner for determining savings account holders is to be  
1308 used. During the month of January each year the commissioner  
1309 shall publish a record date which shall be used in determining the  
1310 respective interests of account holders. The date shall be not  
1311 more than eighteen (18) months prior to its publication;

1312                   (iv) That the business purpose to be accomplished  
1313 by the conversion is set forth with particularity;

1314                   (v) Such other information in such form as  
1315 required by the commissioner to enable him to determine whether  
1316 the plan is fair and equitable to members of the association and  
1317 that the interest of the savings account holders and the public is  
1318 adequately protected.

1319                   (b) A plan of conversion will not be considered unfair  
1320 or inequitable merely because it contains provisions which  
1321 provide:

1322                   (i) That shares of stock will be issued to savings  
1323 account holders with or without cost;

1324                   (ii) That shares of stock will be issued with cost  
1325 to all savings account holders and that no stock will be issued  
1326 without cost;

1327                   (iii) That savings account holders will or will  
1328 not have preemptive rights to all stock proposed to be issued;

1329                   (iv) That those persons who were savings account  
1330 holders during a particular number of years have preemptive rights  
1331 to purchase voting stock at the fair market value thereof;

1332                   (v) That employment contracts are provided for  
1333 officers and employees of the association;

1334                   (vi) That no more than ten percent (10%) of the  
1335 voting stock proposed to be issued pursuant to the plan of  
1336 conversion is reserved by the association for stock options for  
1337 officers and employees.

1338 SECTION 31. Section 81-12-63, Mississippi Code of 1972, is  
1339 reenacted as follows:

1340 81-12-63. No conversion of an association or a federal  
1341 association, direct or indirect, shall be permitted, except as  
1342 specifically authorized by this chapter, Section 81-14-101 or  
1343 Section 81-5-85.

1344 SECTION 32. Section 81-12-65, Mississippi Code of 1972, is  
1345 reenacted as follows:

1346 81-12-65. Pursuant to a plan adopted by the board of  
1347 directors and approved by the commissioner as equitable to the  
1348 members of the association and as not impairing the usefulness and  
1349 success of other properly conducted associations in the community  
1350 and serving the needs of the community, an association shall have  
1351 power to reorganize or to merge or consolidate with another  
1352 association or federal association within its primary lending  
1353 area, provided that the plan of such reorganization, merger or  
1354 consolidation shall be approved at an annual meeting or at any  
1355 special meeting of the members or stockholders called to consider  
1356 such action by an affirmative vote of fifty-one percent (51%) or  
1357 more of the total number of votes of the members or an affirmative  
1358 vote of sixty-six and two-thirds percent (66-2/3%) of those shares  
1359 of stock of such association voted, in person or by proxy. Any  
1360 such plan must set forth (a) the names of the associations  
1361 proposing to merge or consolidate and the name of the association  
1362 into which they propose to merge or consolidate, which is herein  
1363 designated as "the surviving association"; (b) the terms and  
1364 conditions of the proposed merger or consolidation and the mode of  
1365 carrying it into effect; (c) the manner and basis of converting  
1366 the savings accounts of each merging or consolidating association  
1367 into savings accounts of the surviving association; (d) the manner  
1368 and basis of the cancellation and issuance of the capital stock of  
1369 the merging and surviving associations; (e) a statement of any  
1370 changes in the articles of incorporation of the surviving

1371 association to be effected by the merger or consolidation; (f) a  
1372 statement of the contracts pertaining to the employment, or the  
1373 retention as consultant, of officers and directors of the merged  
1374 or consolidated association; and (g) such other provisions with  
1375 respect to the proposed merger or consolidation as are deemed  
1376 necessary or desirable by the boards of directors or the  
1377 commissioner. In all cases the corporate continuity of the  
1378 resulting corporation shall possess the same incidents as that of  
1379 an association which has converted in accordance with this  
1380 chapter. No association, directly or indirectly, shall  
1381 reorganize, merge, consolidate, or acquire substantially all of  
1382 the assets of or assume substantially all of the liabilities of  
1383 any financial institution or any other organization, person or  
1384 entity, except as specifically authorized by this chapter. The  
1385 charter of any association which does not survive a  
1386 reorganization, merger or consolidation shall be surrendered to  
1387 the commissioner and the Secretary of State on the effective date  
1388 of such reorganization, merger, or consolidation and promptly  
1389 cancelled by him.

1390 SECTION 33. Section 81-12-66, Mississippi Code of 1972, is  
1391 reenacted as follows:

1392 81-12-66. (1) Notwithstanding any other provision of law,  
1393 any stock savings association may simultaneously with its  
1394 incorporation or conversion to a stock savings association provide  
1395 for its ownership by a holding company. In the case of a  
1396 conversion, members of the converting savings association shall  
1397 have the right to purchase capital stock of the holding company in  
1398 lieu of capital stock of the converted savings association in  
1399 accordance with Section 81-12-61, Mississippi Code of 1972.

1400 (2) Notwithstanding any other provision of law, any stock  
1401 savings association may reorganize its ownership to provide for  
1402 ownership by a holding company, upon adoption of a plan of  
1403 reorganization by a favorable vote of not less than two-thirds

1404 (2/3) of the members of the board of directors of the savings  
1405 association and approval of such plan of reorganization by the  
1406 holders of not less than a majority of the issued and outstanding  
1407 shares of stock of the savings association. The plan of  
1408 reorganization shall provide that (a) the resulting ownership  
1409 shall be vested in a Mississippi corporation; (b) all stockholders  
1410 of the stock savings association shall have the right to exchange  
1411 shares; (c) the exchange of stock shall not be subject to state or  
1412 federal income taxation; (d) stockholders not wishing to exchange  
1413 shares shall be entitled to dissenters' rights as provided under  
1414 Section 79-4-13.01 et seq., Mississippi Code of 1972; and (e) the  
1415 plan of reorganization is fair and equitable to all stockholders.

1416 SECTION 34. Section 81-12-67, Mississippi Code of 1972, is  
1417 reenacted as follows:

1418 81-12-67. (1) In any case in which a person or group of  
1419 persons propose to purchase or acquire voting stock of any capital  
1420 stock association, which purchase or acquisition would cause such  
1421 person or group of persons to have control, as defined in  
1422 subsection (3) of this section, of the association, such person or  
1423 group of persons shall first make application to the commissioner  
1424 for a certificate of approval of such purchase or acquisition.  
1425 The application shall contain the name and address of the proposed  
1426 new owner or owners of voting stock, and the commissioner shall  
1427 issue the certificate of approval only after he has become  
1428 satisfied, by a hearing or otherwise, that the proposed new owner  
1429 or owners of voting stock are qualified by character, experience  
1430 and financial responsibility to control the association in a legal  
1431 and proper manner and that the interest of the stockholders,  
1432 depositors and creditors of the association and the interest of  
1433 the public generally will not be jeopardized by the proposed  
1434 purchase or acquisition of voting stock.

1435 (2) As used in this section, unless the context otherwise  
1436 requires:

1437           (a) "Business organization" or "company" means any  
1438 corporation, partnership, trust, joint stock company or similar  
1439 organization, but does not include any company the majority of the  
1440 stock of which is owned by the United States or this state, by an  
1441 officer of the United States or this state in his official  
1442 capacity, or by an instrumentality of the United States or this  
1443 state.

1444           (b) "Savings and loan holding company" means any  
1445 company which directly or indirectly controls an association or  
1446 controls any other company which is a savings and loan holding  
1447 company by virtue of this section.

1448           (c) "Person" means an individual or company.

1449           (d) "Subsidiary" of a person means any company which is  
1450 controlled by such person or by a company which is a subsidiary of  
1451 such person by virtue of this section.

1452           (3) For purposes of this section, a business organization  
1453 shall be deemed to have control of an association or any other  
1454 business organization if the business organization:

1455           (a) Directly or indirectly, or acting in concert with  
1456 one or more persons or through one or more subsidiaries, owns,  
1457 controls, holds with powers to vote, or holds proxies  
1458 representing, more than twenty-five percent (25%) of the voting  
1459 stock of such association or other business organization;

1460           (b) Controls in any manner the election of a majority  
1461 of the directors of such association or other business  
1462 organization;

1463           (c) Exercises a controlling influence over the  
1464 management or policies of such association or other business  
1465 organization.

1466           (4) The following restrictions shall apply to ownership or  
1467 control of associations in this state:

1468           (a) Unless organized pursuant to the laws of this  
1469 state, and not controlled by a business organization organized

1470 under the laws of another jurisdiction, no business organization  
1471 shall either directly or indirectly control any association  
1472 located in this state.

1473 (b) No business organization shall acquire control of a  
1474 capital stock association located in this state without first  
1475 obtaining the prior written approval of the commissioner. Prior  
1476 to such acquisition, such business organization shall file an  
1477 application with the commissioner containing such information as  
1478 the commissioner may require and as will aid in determining that  
1479 the acquisition will not be detrimental to the public interest.

1480 (5) Each savings and loan holding company and each  
1481 subsidiary thereof shall file such reports as the commissioner may  
1482 require from time to time or as required by this chapter. Each  
1483 savings and loan holding company and each subsidiary thereof shall  
1484 be subject to such examination as the commissioner shall prescribe  
1485 or as required by this chapter. The cost of such examinations  
1486 shall be assessed against such holding company and paid to the  
1487 State Treasurer to the credit of the department.

1488 SECTION 35. Section 81-12-69, Mississippi Code of 1972, is  
1489 reenacted as follows:

1490 81-12-69. (1) Subject to the limitations of Section  
1491 81-12-65 of this chapter, any association may, at any special  
1492 meeting of the members or stockholders called to consider such  
1493 action, terminate its existence in accordance with the provisions  
1494 of this section upon an affirmative vote of fifty-one percent  
1495 (51%) or more of the total number of votes of members, in the case  
1496 of a mutual association, or an affirmative vote of sixty-six and  
1497 two-thirds percent (66-2/3%) of all the issued and outstanding  
1498 stock, in the case of a capital stock association.

1499 (2) Upon such vote, five (5) copies of a certificate of  
1500 dissolution, which shall state the vote cast in favor of  
1501 dissolution, shall be signed by two (2) officers and acknowledged  
1502 before an officer competent to take acknowledgments of deeds. Five

1503 (5) copies of such certificate shall be filed with the  
1504 commissioner, who shall examine such association, and, if he finds  
1505 that it is not in an impaired condition, shall so note, together  
1506 with his approval of such dissolution, upon all the copies of the  
1507 certificate of dissolution. The commissioner shall place a copy  
1508 in the permanent files in his office, file a copy with the  
1509 Secretary of State, and return the remaining copies to the parties  
1510 filing the same.

1511 (3) Upon such approval, the association shall be dissolved  
1512 and shall cease to carry on business but nevertheless shall  
1513 continue as a corporate entity for the sole purpose of paying,  
1514 satisfying and discharging existing liabilities and obligations,  
1515 collecting and distributing assets, and doing all acts required to  
1516 adjust, wind up and dissolve its business and affairs.

1517 (4) The board of directors shall act as trustees for  
1518 liquidation as provided in this section. They shall proceed as  
1519 quickly as may be practicable to wind up the affairs of the  
1520 association and, to the extent necessary or expedient to that end,  
1521 shall exercise all the powers of such dissolved association and,  
1522 without prejudice to the generality of such authority, may fill  
1523 vacancies, elect officers, carry out the contracts, make new  
1524 contracts, borrow money, mortgage or pledge the property, sell its  
1525 assets at public or private sale, or compromise claims in favor of  
1526 or against the association, apply assets to the discharge of  
1527 liabilities, distribute assets either in cash or in kind among  
1528 savings account members or savings account holders according to  
1529 their respective pro rata interests after paying or adequately  
1530 providing for the payment of other liabilities, distribute assets  
1531 either in cash or in kind among stockholders, and perform all acts  
1532 necessary or expedient to the winding up of the association.  
1533 Provided, however, that upon liquidation, savings account holders  
1534 shall be first paid the value of their accounts, if such funds are  
1535 available, before any sums are paid to the stockholders. All

1536 deeds or other instruments shall be in the name of the association  
1537 and executed by the president or a vice president and the  
1538 secretary or an assistant secretary. The board of directors shall  
1539 also have power to exchange or otherwise dispose of or to put in  
1540 trust all or substantially all or any part of the assets, upon  
1541 such terms and conditions and for such considerations, which may  
1542 be money, stock, bonds, shares or accounts of any insured  
1543 association, or of any federal association, or other instruments  
1544 for the payment of money, or other property, or other  
1545 considerations, as the board of directors may deem reasonable or  
1546 expedient, and may distribute such considerations or the proceeds  
1547 thereof, or trust receipts, or certificates of beneficial interest  
1548 among the savings account members or savings account holders in  
1549 proportion to their pro rata interests therein.

1550 (5) The association, during the liquidation of the assets of  
1551 the association by the board of directors, shall continue to be  
1552 subject to the supervision of the commissioner, and the board of  
1553 directors shall report the progress of such liquidation to the  
1554 commissioner from time to time as he may require. Upon completion  
1555 of liquidation, the board of directors shall file with the  
1556 commissioner a final report and accounting of such liquidation and  
1557 shall surrender the charter of the association. If such report is  
1558 approved, the commissioner shall promptly cancel said charter.  
1559 The approval of such report by the commissioner shall operate as a  
1560 discharge of the board of directors and each member thereof in  
1561 connection with the liquidation of such association. No such  
1562 dissolution or any action of the board of directors in connection  
1563 therewith shall impair any contract right between such association  
1564 and any borrower or other person or persons or the vested rights  
1565 of any member or savings account holder of such association.

1566 SECTION 36. Section 81-12-71, Mississippi Code of 1972, is  
1567 reenacted as follows:

1568           81-12-71. (1) An annual meeting of the members of each  
1569 mutual association shall be held as fixed in the bylaws of such  
1570 association. Special meetings may be called as provided in the  
1571 bylaws.

1572           (2) The members who shall be entitled to vote at any meeting  
1573 of the members shall be those who are members of record at the end  
1574 of the calendar month next preceding the date of the meeting of  
1575 members, except those who have ceased to be members. The number  
1576 of votes which members shall be entitled to cast shall be in  
1577 accordance with the books on the said date determinative of  
1578 entitlement to vote.

1579           (3) In the determination of all questions requiring action  
1580 by the members, each member shall be entitled to cast one (1)  
1581 vote, plus an additional vote for each One Hundred Dollars  
1582 (\$100.00) or fraction thereof of the withdrawal value of savings  
1583 accounts, if any, held by such member. No member, however, shall  
1584 cast more than four hundred (400) votes.

1585           (4) Voting by proxy at a meeting shall be permitted as set  
1586 forth in the bylaws of the association. Constitution of a quorum  
1587 shall be set forth in the bylaws of the association.

1588           SECTION 37. Section 81-12-73, Mississippi Code of 1972, is  
1589 reenacted as follows:

1590           81-12-73. (1) An annual meeting of stockholders of capital  
1591 stock associations shall be held as fixed in the bylaws of the  
1592 association. Whenever the provisions of this chapter, the  
1593 articles of incorporation, or the bylaws require or authorize the  
1594 stockholders to take any action at an annual or special meeting, a  
1595 notice of such meeting, signed by the secretary or other officer  
1596 permitted by the bylaws, shall be mailed to each stockholder  
1597 entitled to vote at such meeting, at his address as it appears on  
1598 the records of the corporation, not less than ten (10) nor more  
1599 than sixty (60) days before the date set for such meeting. The  
1600 articles of incorporation or bylaws may require that such notice

1601 also be published in one or more newspapers. The notice shall  
1602 state the purpose of the meeting, a general statement of the  
1603 business to be transacted, and the time and place it is to be  
1604 held. Such notice shall be sufficient for said meeting and any  
1605 adjournment thereof unless otherwise provided in the articles of  
1606 incorporation or bylaws. If any stockholder shall transfer any of  
1607 his stock after notice, it shall not be necessary to notify the  
1608 transferee. Such meetings shall be held within the state and  
1609 within the county in which the home office of the association is  
1610 located. Any stockholder may waive notice of any meeting either  
1611 before, at or after the meeting.

1612 (2) Unless otherwise provided in the articles of  
1613 incorporation, every such stockholder shall be entitled at such  
1614 meeting, and upon each proposal presented at such meeting, to one  
1615 (1) vote for each share of voting stock recorded in his name on  
1616 the books of the corporation on the record date fixed as above  
1617 provided or, if no such record date was fixed, on the day of  
1618 meeting. The books of record of stockholders shall be produced at  
1619 any stockholders' meeting upon the request of any stockholder.

1620 (3) The stockholders record date and voting by proxy at any  
1621 meeting shall be established and permitted, respectively, as set  
1622 forth in the bylaws of the association. Constitution of a quorum  
1623 shall be set forth in the bylaws of the association.

1624 SECTION 38. Section 81-12-75, Mississippi Code of 1972, is  
1625 reenacted as follows:

1626 81-12-75. An association shall not directly or indirectly  
1627 charge any membership, admission, withdrawal or any other fee or  
1628 sum of money for the privilege of becoming, remaining or ceasing  
1629 to be a member or savings account holder of the association.

1630 SECTION 39. Section 81-12-77, Mississippi Code of 1972, is  
1631 reenacted as follows:

1632 81-12-77. (1) Every member, savings account holder or  
1633 borrower shall have the right to inspect the books and records of

1634 an association as pertain to his loan or savings account.  
1635 Otherwise, the right of inspection and examination of the books  
1636 and records shall be limited (a) to the commissioner or his duly  
1637 authorized representatives as provided in this chapter, (b) to  
1638 persons duly authorized to act for the association, (c) officers  
1639 and directors of the association, and (d) to any federal or state  
1640 instrumentality or agency authorized to inspect or examine the  
1641 books and records of an insured association. The books and  
1642 records pertaining to the accounts and loans of members, savings  
1643 account holders, and borrowers shall be kept confidential by the  
1644 association, its directors, officers and employees, and by the  
1645 commissioner, his examiners and representatives, except where the  
1646 disclosure thereof shall be compelled by a court of competent  
1647 jurisdiction, and no member or any other person shall have access  
1648 to the books and records or shall be furnished or shall possess a  
1649 partial or complete list of the members, savings account holders,  
1650 or borrowers except upon express action and authority of the board  
1651 of directors. This shall in no way be construed to prevent the  
1652 commissioner from performing his duties under this chapter in any  
1653 form permitted by law.

1654 (2) In the event, however, that any member or members desire  
1655 to communicate with the other members of the association with  
1656 reference to any question pending or to be presented for  
1657 consideration at a meeting of the members, the association shall  
1658 furnish upon request a statement of the approximate number of  
1659 members of the association at the time of such request, and an  
1660 estimate of the cost of forwarding such communication. The  
1661 requesting member or members shall then submit the communication,  
1662 together with a sworn statement that the proposed communication is  
1663 not for any reason other than the business welfare of the  
1664 association, to the commissioner who, if he finds it to be  
1665 appropriate, truthful and in the best interests of the association  
1666 and its members, shall execute a certificate setting out such

1667 findings, forward the certificate together with the communication,  
1668 which may be sealed and its contents protected, to the  
1669 association, and direct that the communication be prepared and  
1670 mailed by the association to the members upon the requesting  
1671 member's or members' payment to it of the expense of such  
1672 preparation and mailing. If the commissioner finds such proposed  
1673 communication to be inappropriate, untruthful or contrary to the  
1674 best interests of the association and its members, he shall have  
1675 the discretion to make any disposition of the request to  
1676 communicate which he deems proper and he shall execute a  
1677 certificate setting out such findings and deliver it to the  
1678 requesting member together with his order making disposition of  
1679 the request.

1680 SECTION 40. Section 81-12-79, Mississippi Code of 1972, is  
1681 reenacted as follows:

1682 81-12-79. The commissioner shall call upon each association  
1683 for the reports required in this section. Such calls shall be  
1684 made by the commissioner in writing by letter or other similar  
1685 means of written communications for the same dates and as often as  
1686 calls are issued by the appropriate federal regulating authority  
1687 for reports from federal associations. The commissioner shall  
1688 prescribe the forms for such reports. The reports shall be sworn  
1689 to by either the president, vice-president or cashier of the  
1690 association making them, attested by not less than two (2) of the  
1691 board of directors, and shall exhibit in detail, under appropriate  
1692 heads, the total resources and total liabilities of the  
1693 association on the day specified by the commissioner.  
1694 Associations shall transmit to the department such call reports  
1695 within a time limitation established by regulation by the  
1696 commissioner; however, such time limitation cannot exceed that set  
1697 by the Federal Deposit Insurance Corporation for state insured  
1698 associations. For any failure or delay in furnishing this report,  
1699 the president, vice-president or cashier of any such association,

1700 so in default, and the members of the board of directors of the  
1701 association refusing to attest the report, shall be subject to an  
1702 administrative fine, which may be imposed by the commissioner, of  
1703 Fifty Dollars (\$50.00) a day for each day while in such default.

1704 SECTION 41. Section 81-12-81, Mississippi Code of 1972, is  
1705 reenacted as follows:

1706 81-12-81. (1) The business of the mutual association shall  
1707 be directed by a board of directors of not less than five (5) nor  
1708 more than fifteen (15) as determined by, and elected by, ballot  
1709 from among the members by a plurality of the votes of the members  
1710 present or voting by proxy. At all times at least two-thirds  
1711 (2/3) of the directors shall be bona fide residents of this state.

1712 (2) In order to qualify as a director, a member of an  
1713 association must hold individually, or jointly with his spouse, a  
1714 savings account, the withdrawal value of which is at least Five  
1715 Hundred Dollars (\$500.00); provided that if the assets of the  
1716 association exceed Five Million Dollars (\$5,000,000.00), the  
1717 withdrawal value of such account must be at least One Thousand  
1718 Dollars (\$1,000.00). No member shall be eligible for election or  
1719 shall serve as a director or officer of an association who has  
1720 been convicted of a criminal offense involving dishonesty or a  
1721 breach of trust. A director shall cease to be a director when he  
1722 ceases to be a member, or when he is adjudicated a bankrupt or is  
1723 convicted of a criminal offense as herein provided, or when the  
1724 net equity above loans of all savings accounts in the association  
1725 held by him aggregates for a period of thirty (30) consecutive  
1726 days less than the minimum required to be eligible for election as  
1727 a director, but no action of the board of directors shall be  
1728 invalidated through the participation of such director in such  
1729 action unless the vote of such director be challenged prior to  
1730 such action; provided that if a director becomes ineligible under  
1731 the terms of this subsection by reason of the exercise by the  
1732 association of the right of redemption of savings accounts

1733 provided for in Section 81-12-153 he shall remain validly in  
1734 office until the expiration of his term or until he otherwise  
1735 becomes ineligible, resigns or is removed, whichever may occur  
1736 first.

1737 (3) Directors shall be classified as set forth in the bylaws  
1738 of the association.

1739 (4) The authorized number of directors determined by the  
1740 members within the limits hereinabove specified may subsequently  
1741 be increased or decreased only by vote of the members.

1742 (5) Each director, upon assuming office, shall take an oath  
1743 that he will, so far as the duty devolves on him, diligently and  
1744 honestly administer the affairs of the association and will not  
1745 knowingly violate or permit to be violated, any of the provisions  
1746 of this chapter, and a written copy of such oath shall be filed  
1747 with the commissioner.

1748 (6) If the members fail to elect a director to fill each  
1749 vacancy created by any such increase, the directors may fill such  
1750 vacancy by electing a director to serve until the next annual  
1751 meeting of the members, at which time a director shall be elected  
1752 to fill the vacancy for the unexpired term of the class of  
1753 director in which such vacancy exists.

1754 (7) Whenever under the provisions hereof the number of  
1755 directors is changed and vacancies caused by such change are  
1756 filled, the directors so elected shall be classified in accordance  
1757 with the provisions of the bylaws of the association.

1758 (8) Any vacancy among directors, not so filled by the  
1759 members, may be filled by a majority vote of the remaining  
1760 directors, though less than a quorum, by electing a director to  
1761 serve until the next annual meeting of the members, at which time  
1762 a director shall be elected to fill the vacancy for the unexpired  
1763 term for the class of director in which such vacancy exists. In  
1764 event of a vacancy on the board of directors from any cause, the  
1765 remaining directors shall have full power and authority to

1766 continue direction of the association until such vacancy is  
1767 filled.

1768 SECTION 42. Section 81-12-83, Mississippi Code of 1972, is  
1769 reenacted as follows:

1770 81-12-83. (1) The business of a capital stock association  
1771 shall be managed and its powers exercised by a board of directors.  
1772 The board shall consist of not less than five (5) adult natural  
1773 persons who shall be elected at the annual meeting of stockholders  
1774 in the following manner:

1775 At each election for directors every shareholder entitled to  
1776 vote at such election shall have the right to vote, in person or  
1777 by proxy, the number of shares owned by him for as many persons as  
1778 there are directors to be elected and for whose election he has a  
1779 right to vote.

1780 (2) The term of office of the directors shall be for one (1)  
1781 year; provided that when the board of directors shall consist of  
1782 nine (9) or more members, in lieu of electing the whole number of  
1783 directors annually, the articles of incorporation may provide that  
1784 the directors be divided into either two (2) or three (3) classes,  
1785 each class to be as nearly equal in number as possible, the term  
1786 of office of directors of the first class to expire at the first  
1787 annual meeting of the shareholders after their election; that of  
1788 the second class to expire at the second annual meeting after  
1789 their election; and that of the third class, if any, to expire at  
1790 the third annual meeting after their election. At each annual  
1791 meeting after such classification, the number of directors equal  
1792 to the number of the class whose term expires at the time of such  
1793 meeting shall be elected to hold office until the second  
1794 succeeding annual meeting, if there be two (2) classes, or until  
1795 the third succeeding annual meeting, if there be three (3)  
1796 classes. No classification of directors shall be effective prior  
1797 to the first annual meeting of shareholders.

1798           (3) Every director must, during his whole term of service,  
1799 be a citizen of the United States, and at least three-fifths (3/5)  
1800 of the directors must have resided in this state for at least one  
1801 (1) year preceding their election and must be residents therein  
1802 during their continuance in office. No person shall be eligible  
1803 for election or shall serve as a director or officer of a capital  
1804 stock association who has been convicted of a criminal offense. A  
1805 director or officer shall automatically cease to be a director  
1806 when he is adjudicated a bankrupt or convicted of a criminal  
1807 offense. However, no action of the board of directors shall be  
1808 invalidated through the participation of such director in such  
1809 action unless challenge is made to such director's vote prior to  
1810 such action. Each director shall, in his own name, own capital  
1811 stock in, or have a deposit relationship with, the association on  
1812 an unencumbered basis as follows:

1813           (a) For stock associations under Fifty Million Dollars  
1814 (\$50,000,000.00) in assets, stock ownership in the institution or  
1815 its holding company of Two Thousand Five Hundred Dollars  
1816 (\$2,500.00) in market value at time of purchase; or

1817           (b) For mutual associations under Fifty Million Dollars  
1818 (\$50,000,000.00) in assets, a Two Thousand Five Hundred Dollar  
1819 (\$2,500.00) deposit relationship; or

1820           (c) For stock associations over Fifty Million Dollars  
1821 (\$50,000,000.00) in assets, stock ownership in the institution or  
1822 its holding company of Five Thousand Dollars (\$5,000.00) in market  
1823 value at the time of purchase; or

1824           (d) For mutual associations over Fifty Million Dollars  
1825 (\$50,000,000.00) in assets a Five Thousand Dollar (\$5,000.00)  
1826 deposit relationship.

1827           For associations that cross the Fifty Million Dollar  
1828 (\$50,000,000.00) threshold, the commissioner shall allow a  
1829 reasonable period for the directors to comply with the ownership  
1830 interest requirement.

1831           (4) Each director, upon assuming office, shall take an oath  
1832 that he will, so far as the duty devolves on him, diligently and  
1833 honestly administer the affairs of such capital stock association  
1834 and will not knowingly violate or permit to be violated, any of  
1835 the provisions of this chapter, and a written copy of such oath  
1836 shall be filed with the commissioner.

1837           (5) The board of directors of each capital stock association  
1838 shall hold meetings as set forth in the bylaws of the association.

1839           (6) Vacancies on the board of directors may be filled at a  
1840 meeting by the stockholders called for that purpose.

1841           SECTION 43. Section 81-12-85, Mississippi Code of 1972, is  
1842 reenacted as follows:

1843           81-12-85. Each association shall provide and maintain a  
1844 fidelity bond covering its officers, attorneys, employees, agents  
1845 and directors when performing the duties of officers or employees,  
1846 in the form and amount required by the commissioner, but in no  
1847 event less than One Hundred Thousand Dollars (\$100,000.00). No  
1848 bond coverage will be required of any agent which is a financial  
1849 institution insured by the Federal Deposit Insurance Corporation.  
1850 Such bonds shall provide that a cancellation thereof either by the  
1851 surety or by the insured shall not become effective unless and  
1852 until thirty (30) days' notice in writing first shall have been  
1853 given to the commissioner, unless he shall have approved such  
1854 cancellation earlier.

1855           SECTION 44. Section 81-12-87, Mississippi Code of 1972, is  
1856 reenacted as follows:

1857           81-12-87. Directors and officers occupy a fiduciary  
1858 relationship to the association of which they are directors or  
1859 officers, and no director or officer shall engage or participate,  
1860 directly or indirectly, in any business or transaction conducted  
1861 on behalf of or involving the association, which would result in a  
1862 conflict of his own personal interests with those of the  
1863 association which he serves. Without limitation by any of the

1864 specific provisions of any of the subsections hereof, the  
1865 commissioner may require the disclosure by directors, officers and  
1866 employees of any personal interest, directly or indirectly, in any  
1867 business or transactions on behalf of or involving the association  
1868 and of their control of or active participation in enterprises  
1869 having activities related to the business of the association. The  
1870 following restrictions governing the conduct of directors and  
1871 officers expressly are specified, but such specification is not to  
1872 be construed in any manner as excusing such persons from the  
1873 observance of any other aspect of the general fiduciary duty owed  
1874 by them to the association which they serve:

1875           (a) From and after January 1, 1979, no officer or  
1876 director of an association shall hold office as a director or  
1877 officer of another thrift institution the principal office of  
1878 which is located in the association's primary lending area.

1879           (b) No director of an association shall receive  
1880 remuneration as director except reasonable fees for service as a  
1881 director or for service as a member of a committee of directors,  
1882 except that nothing herein contained shall be deemed to prohibit  
1883 or in any way to limit any right of a director who is also an  
1884 officer or employee of or attorney for the association to receive  
1885 compensation for service as an officer, employee or attorney.

1886           (c) Loans aggregating fifteen percent (15%) of the  
1887 unimpaired capital and unimpaired surplus may be made by any  
1888 association to any director or executive officer thereof, as  
1889 defined in Regulation O promulgated by the Board of Governors of  
1890 the Federal Reserve System, less existing direct and indirect  
1891 liabilities thereto, upon affirmative approval of a majority of  
1892 all directors spread on the minutes of a directors' meeting held  
1893 before such loan is made, provided, such loan is made on  
1894 substantially the same terms and conditions extended to other  
1895 borrowers for comparable transactions. Any association may lend  
1896 to any such director or executive officer thereof, upon

1897 affirmative approval of a majority of all directors spread on the  
1898 minutes of a directors' meeting held before such loan is made, not  
1899 more than twenty percent (20%) of the unimpaired capital and  
1900 unimpaired surplus of the association, less the amount of existing  
1901 direct and indirect liabilities, when secured; or when the portion  
1902 thereof in excess of any amount loaned under the first provision  
1903 hereof is secured by obligations of the United States Government,  
1904 the State of Mississippi, and the levee districts, counties, road  
1905 districts, school districts, and municipalities of the State of  
1906 Mississippi, obligations of any other state of the United States  
1907 and other bonds of recognized character and standing, which are  
1908 the subject of daily newspaper market quotations, provided such  
1909 loan shall not exceed eighty percent (80%) of the market or par  
1910 value (whichever is less) of the bonds or obligations offered as  
1911 security. Any association may lend to any executive officer or  
1912 director thereof upon affirmative approval of a majority of all  
1913 directors spread on the minutes of a directors' meeting held  
1914 before such loan is made, such amount as is safe and proper, when  
1915 secured by warehouse receipts or shippers' order bills of lading  
1916 representing actual existing values, provided the amount loaned  
1917 shall not exceed eighty percent (80%) of the market value of the  
1918 commodities representing the actual existing values, and loans of  
1919 this nature shall be made payable on demand so that the security  
1920 held therefor may be sold on any date and the proceeds thereof  
1921 applied to the payment of the loan. However, an association's  
1922 board of directors may, as shown in its minutes, give to an  
1923 association officer the authority to make secured or unsecured  
1924 loans to an executive officer or director of such association,  
1925 without receiving the board's prior approval, in an amount that,  
1926 when aggregated with the amount of all other extensions of credit  
1927 to that person and to all related interests of that person, does  
1928 not exceed the greater of Twenty-five Thousand Dollars

1929 (\$25,000.00) or five percent (5%) of the associations's unimpaired  
1930 capital and unimpaired surplus.

1931           However, no association shall extend credit to any director  
1932 or executive officer thereof, in an amount that, when aggregated  
1933 with all other extensions of credit to that person and to all  
1934 related interests of that person, exceeds Five Hundred Thousand  
1935 Dollars (\$500,000.00) without documented prior affirmative  
1936 approval of a majority of its directors.

1937           Loans and discounts by an association to a director or  
1938 executive officer thereof secured in full by funds on deposit in  
1939 time or savings accounts with the lending association to the  
1940 credit of the borrower shall not be restricted to the fifteen  
1941 percent (15%) or twenty percent (20%) limitations herein  
1942 prescribed.

1943           The limitations of this section shall not apply where an  
1944 executive officer or director shall bona fide purchase from the  
1945 association at a reasonable price real or personal property  
1946 acquired by the association in payment of debts due the  
1947 association, provided such transactions are approved by a majority  
1948 of the board of directors, such approval to be shown in their  
1949 minutes; and, in cases where loans are made by branch offices, the  
1950 sum total of loans made by any branch or branches and its parent  
1951 association to such executive officer or director shall be  
1952 computed as against the total capital stock and surplus of the  
1953 parent association and its branch or branches. Loans heretofore  
1954 made to executive officers or directors may be renewed or extended  
1955 if in accord with sound banking practice.

1956           (d) No director or officer shall have any interest,  
1957 directly or indirectly, in the proceeds of a loan or investment or  
1958 of a purchase or sale made by the association, unless such loan,  
1959 investment, purchase or sale is authorized expressly by resolution  
1960 of the board of directors, and unless such resolution is approved  
1961 by vote of at least two-thirds (2/3) of the directors authorized

1962 by the association, any interested director taking no part in such  
1963 vote.

1964 (e) No director or officer shall have any interest,  
1965 directly or indirectly, in the purchase at less than its face  
1966 value of any evidence of a savings account, deposit or other  
1967 indebtedness issued by the association.

1968 (f) No director, association or officer thereof shall  
1969 require, as a condition to the granting of any loan or the  
1970 extension of any other service by the association, that the  
1971 borrower or any other person undertake a contract of insurance or  
1972 any other agreement, or understanding with respect to the  
1973 furnishing of any other goods or services, with any specific  
1974 company, agency or individual.

1975 (g) No officer or director acting as proxy for a member  
1976 or stockholder of record of an association shall exercise,  
1977 transfer or delegate such vote or votes in any consideration of a  
1978 private benefit or advantage, direct or indirect, accruing to  
1979 himself, nor shall he surrender control or pass his office to any  
1980 other for any consideration of a private benefit or advantage,  
1981 direct or indirect. The voting rights of members, stockholders  
1982 and directors shall not be subject to sale, barter, exchange or  
1983 similar transaction, either directly or indirectly. Any officer  
1984 or director who violates the provisions of this section shall be  
1985 held accountable to the association for any increment and subject  
1986 to the criminal penalty below.

1987 (h) No director or officer shall solicit, accept or  
1988 agree to accept, directly or indirectly, from any person other  
1989 than the association any gratuity, compensation or other personal  
1990 benefit for any action taken by the association or for endeavoring  
1991 to procure any such action.

1992 (i) Any violation of the provisions of this section  
1993 shall be punishable by not more than five (5) years' imprisonment  
1994 or a fine of not more than Five Thousand Dollars (\$5,000.00).

1995 SECTION 45. Section 81-12-89, Mississippi Code of 1972, is  
1996 reenacted as follows:

1997 81-12-89. No association shall deposit any of its funds,  
1998 except with a depository approved by a vote of a majority of the  
1999 directors authorized by the association, any director who is an  
2000 officer, partner, director, or trustee of the depository so  
2001 designated taking no part in such vote.

2002 SECTION 46. Section 81-12-91, Mississippi Code of 1972, is  
2003 reenacted as follows:

2004 81-12-91. Any person may be indemnified or reimbursed by the  
2005 association for reasonable expenses, including, but not limited  
2006 to, attorney's fees actually incurred by him in connection with  
2007 any action, suit or proceeding, instituted or threatened, judicial  
2008 or administrative, civil or criminal, to which he is made a party  
2009 by reason of his being or having been a director, officer or  
2010 employee of an association; however, no person shall be so  
2011 indemnified or reimbursed, nor shall he retain any advancement or  
2012 allowance for indemnification which may have been made by the  
2013 association in advance of final disposition, in relation to such  
2014 action, suit or proceeding in which and to the extent that he  
2015 finally shall be adjudicated to have been guilty of a breach of  
2016 good faith, to have been negligent in the performance of his  
2017 duties or to have committed an action or failed to perform a duty  
2018 for which there is a common law or a statutory liability. In  
2019 addition, a person may, with the approval of the commissioner, be  
2020 so indemnified or reimbursed for:

2021 (a) Amounts paid in compromise or settlement of any  
2022 action, suit or proceeding, including reasonable expenses incurred  
2023 in connection therewith; or

2024 (b) Reasonable expenses, including fines and penalties,  
2025 incurred in connection with a criminal or civil action, suit or  
2026 proceeding in which such person has been adjudicated guilty,  
2027 negligent or liable, if it shall be determined by the board of

2028 directors and the commissioner that such person was acting in good  
2029 faith and in what he believed to be the best interests of the  
2030 association and without knowledge that the action was illegal and  
2031 if such indemnification or reimbursement is approved at an annual  
2032 or special meeting of the members or stockholders by a majority of  
2033 the votes eligible to be cast. Amounts paid to the association,  
2034 whether pursuant to judgment or settlement by any person within  
2035 the meaning of this section, shall not be indemnified or  
2036 reimbursed in any case.

2037 SECTION 47. Section 81-12-93, Mississippi Code of 1972, is  
2038 reenacted as follows:

2039 81-12-93. No association shall make any management contract  
2040 with any person or persons extending for more than three (3)  
2041 years. Contracts in excess of one (1) year shall first be  
2042 approved by the commissioner. No such contract shall permit an  
2043 association to be managed on a commission basis.

2044 SECTION 48. Section 81-12-95, Mississippi Code of 1972, is  
2045 reenacted as follows:

2046 81-12-95. Every association shall keep at the home office  
2047 correct and complete minutes of the proceedings and meetings of  
2048 members, stockholders, directors and the executive committee.  
2049 Complete records of all business transacted at the home office  
2050 shall be maintained at the home office, and control records of all  
2051 business transacted at each branch office or agency shall be  
2052 maintained at the home office, except as permitted below.

2053 However, any state savings association may cause any or all  
2054 records at any time in its custody to be reproduced in a format of  
2055 storage commonly used, whether electronic, imaged, magnetic,  
2056 microphotographic, or otherwise, and any reproduction so made  
2057 shall have the same force and effect as the original thereof and  
2058 be admitted in evidence equally with the original.

2059 SECTION 49. Section 81-12-97, Mississippi Code of 1972, is  
2060 reenacted as follows:

2061           81-12-97. (1) Each branch office shall keep detailed  
2062 records of all transactions at such branch office and shall  
2063 furnish full control records to the home office, except as  
2064 permitted below.

2065           (2) Each agent of an association shall keep an original  
2066 record of each transaction of business of the association and  
2067 shall report promptly to the home office. Complete detailed  
2068 permanent records of such transactions are not required to be  
2069 maintained at such agency.

2070           SECTION 50. Section 81-12-99, Mississippi Code of 1972, is  
2071 reenacted as follows:

2072           81-12-99. An association which determines to maintain any of  
2073 its records by means of data processing services shall so notify  
2074 the commissioner, in writing, at least ninety (90) days prior to  
2075 the date on which such maintenance of records will begin. Such  
2076 notification shall include identification of the records to be  
2077 maintained by data processing services and a statement as to the  
2078 location at which such records will be maintained. Any contract,  
2079 agreement or arrangement made by an association pursuant to which  
2080 data processing services are to be performed for such association  
2081 shall be in writing and shall expressly provide that the records  
2082 to be maintained by such services shall at all times be available  
2083 for examination and audit.

2084           SECTION 51. Section 81-12-101, Mississippi Code of 1972, is  
2085 reenacted as follows:

2086           81-12-101. (1) Every association shall use such forms and  
2087 observe such accounting principles and practices as the  
2088 commissioner may require from time to time.

2089           (2) Every association shall close its books annually.

2090           (3) No association by any system of accounting or any device  
2091 of bookkeeping shall, either directly or indirectly, enter any of  
2092 its assets upon its books in the name of any other person,

2093 partnership, association or corporation or under any title or  
2094 designation that is not truly descriptive of such assets.

2095 SECTION 52. Section 81-12-103, Mississippi Code of 1972, is  
2096 reenacted as follows:

2097 81-12-103. The commissioner, after a determination of value  
2098 made in accordance with Section 81-12-177(8), may order that  
2099 assets, individually or in the aggregate, to the extent that such  
2100 assets are overvalued on an association's books, be charged off,  
2101 or that a special reserve or reserves equal to such overvaluation  
2102 be set up by transfers from undivided profits or reserves.

2103 SECTION 53. Section 81-12-105, Mississippi Code of 1972, is  
2104 reenacted as follows:

2105 81-12-105. (1) An association shall not carry any real  
2106 estate on its books at a sum in excess of the total amount  
2107 invested by such association on account of such real estate,  
2108 including advances, costs, and improvements but excluding accrued  
2109 but uncollected interest.

2110 (2) Every association shall have appraised each parcel of  
2111 real estate immediately following acquisition thereof. The report  
2112 of each such appraisal shall be submitted in writing to the board  
2113 of directors and shall be kept in the records of the association.  
2114 In addition to his powers under Section 81-12-177(8) of this  
2115 chapter, the commissioner may require the appraisal of real estate  
2116 securing loans which are delinquent more than four (4) months.

2117 SECTION 54. Section 81-12-107, Mississippi Code of 1972, is  
2118 reenacted as follows:

2119 81-12-107. Every association shall maintain complete loan  
2120 and investment records in a manner prescribed by the commissioner.  
2121 Detailed records necessary to make determinations of compliance by  
2122 an association with the investment, liquidity, loan and other  
2123 provisions of this chapter shall be maintained consistently and at  
2124 all times, the record of each real estate loan or other secured  
2125 loan or investment containing documentation to the satisfaction of

2126 the commissioner of the type, adequacy and completion of the  
2127 security.

2128 SECTION 55. Section 81-12-109, Mississippi Code of 1972, is  
2129 reenacted as follows:

2130 81-12-109. Every association shall maintain membership and  
2131 stockholder records, which shall show the name and address of the  
2132 member or stockholder, the status of the member as a savings  
2133 account holder, or an obligor, or a savings account holder and  
2134 obligor, and the date of membership or ownership of stock. In the  
2135 case of members holding a savings account the association shall  
2136 obtain a savings account contract containing the signature of each  
2137 holder of such account or his duly authorized representative, and  
2138 shall preserve such contract in the records of the association.

2139 SECTION 56. Section 81-12-111, Mississippi Code of 1972, is  
2140 reenacted as follows:

2141 81-12-111. Any association may cause any or all records kept  
2142 by such association to be copied or reproduced by any photostatic,  
2143 photographic or microfilming process which correctly and  
2144 permanently copies, reproduces or forms a medium for copying or  
2145 reproducing the original record on a film or other durable  
2146 material, and such association may thereafter dispose of the  
2147 original record. Any such copy or reproduction shall be deemed to  
2148 be an original record for all purposes and shall be treated as an  
2149 original record in all courts or administrative agencies for the  
2150 purpose of its admissibility in evidence. A facsimile,  
2151 exemplification or certified copy of any such copy or reproduction  
2152 reproduced from a film record shall, for all purposes, be deemed a  
2153 facsimile, exemplification or certified copy of the original  
2154 record.

2155 SECTION 57. Section 81-12-113, Mississippi Code of 1972, is  
2156 reenacted as follows:

2157 81-12-113. Every association shall set up and maintain the  
2158 reserves required by the board and may set up and maintain such

2159 additional reserves as are permitted by this chapter. The  
2160 commissioner shall fix the amount of each association's separate  
2161 reserve account to be set up and maintained for the sole purpose  
2162 of absorbing losses (termed in this chapter "general reserve"),  
2163 but in no event shall such amount of such general reserve be less  
2164 than the amount required by the Federal Deposit Insurance  
2165 Corporation. Transfers to general reserve shall be made at such  
2166 time or times as set by the commissioner.

2167 SECTION 58. Section 81-12-115, Mississippi Code of 1972, is  
2168 reenacted as follows:

2169 81-12-115. The savings liability of an association is not  
2170 limited, but shall consist only of the aggregate amount of savings  
2171 accounts of its members or savings account holders, plus earnings  
2172 credited to such accounts, less redemption and withdrawal  
2173 payments. Except as limited by the board of directors from time  
2174 to time, a member or savings account holder may make additions to  
2175 his savings accounts in such amounts and at such times as he may  
2176 elect. The members or savings account holders of an association  
2177 shall not be responsible for any losses which its savings  
2178 liability shall not be sufficient to satisfy, and savings accounts  
2179 shall not be subject to assessment. Earnings shall be declared in  
2180 accordance with the provisions of this chapter. Except as  
2181 provided in Section 81-12-153, no association shall prefer one (1)  
2182 of its savings accounts over any other savings account as to the  
2183 right to participate in earnings. No preference between savings  
2184 account members or savings account holders shall be created with  
2185 respect to the distribution of assets upon voluntary or  
2186 involuntary liquidation, dissolution or winding up of an  
2187 association. No association shall issue, sell, negotiate or  
2188 advertise any type of savings account or debt security, except as  
2189 authorized by this chapter, nor shall it contract with respect to  
2190 any savings account or other account in a manner inconsistent with  
2191 the provisions of this chapter.

2192 SECTION 59. Section 81-12-117, Mississippi Code of 1972, is  
2193 reenacted as follows:

2194 81-12-117. Savings accounts may be opened and held solely  
2195 and absolutely in his own right by, or in trust or other fiduciary  
2196 capacity for, any person, including an adult or minor individual,  
2197 male or female, single or married, partnership, association,  
2198 fiduciary, corporation or by a political subdivision or public or  
2199 governmental unit, but only to the extent expressly authorized by  
2200 the statutes of this state. Savings accounts shall be represented  
2201 only by the account of each savings account holder on the books of  
2202 the association, and such accounts or any interest therein shall  
2203 be transferable only on the books of the association and upon  
2204 proper written application by the transferee and upon acceptance  
2205 by the association of the transferee as a savings account holder  
2206 upon terms approved by the board of directors. The association  
2207 may treat the holder of record of a savings account as the owner  
2208 thereof for all purposes.

2209 SECTION 60. Section 81-12-119, Mississippi Code of 1972, is  
2210 reenacted as follows:

2211 81-12-119. Each holder of a savings account shall execute a  
2212 savings account contract setting forth any special terms and  
2213 provisions applicable to such savings account and the ownership  
2214 thereof and the conditions upon which withdrawals may be made, not  
2215 inconsistent with the provisions of this chapter.

2216 SECTION 61. Section 81-12-121, Mississippi Code of 1972, is  
2217 reenacted as follows:

2218 81-12-121. Evidence of ownership of a savings account shall  
2219 be issued in such form as approved by the commissioner by  
2220 regulation.

2221 SECTION 62. Section 81-12-123, Mississippi Code of 1972, is  
2222 reenacted as follows:

2223 81-12-123. Upon the filing with an association by the holder  
2224 of record as shown by the books of the association, or by his

2225 legal representative, of an affidavit to the effect that the  
2226 account book or certificate evidencing his savings account with  
2227 the association has been lost or destroyed, and that such account  
2228 book or certificate has not been pledged or assigned in whole or  
2229 in part, such association shall issue a new account book or  
2230 certificate in the name of the holder of record, such evidence  
2231 stating that it is issued in lieu of the one lost or destroyed,  
2232 and the association shall in no way be liable thereafter on  
2233 account of the original account book or certificate, provided that  
2234 the board of directors shall, if in its judgment it is necessary,  
2235 require a bond in an amount it deems sufficient to indemnify the  
2236 association against any loss which might result from the issuance  
2237 of such new account book or certificate.

2238 SECTION 63. Section 81-12-125, Mississippi Code of 1972, is  
2239 reenacted as follows:

2240 81-12-125. The commissioner shall by regulation determine  
2241 the conditions under which merchandise, things of value or  
2242 services performed outside the premises of an association may be  
2243 furnished as an inducement for the opening or increase of any  
2244 savings account.

2245 SECTION 64. Section 81-12-127, Mississippi Code of 1972, is  
2246 reenacted as follows:

2247 81-12-127. Notice to any association doing business in this  
2248 state of an adverse claim to an account on its books in the name  
2249 of any savings account holder shall not be effectual to cause the  
2250 association to recognize such adverse claimant unless such adverse  
2251 claimant either procures a restraining order, injunction or other  
2252 appropriate process against the association from a court of  
2253 competent jurisdiction in a cause therein instituted by him  
2254 wherein the savings account holder in whose name the account  
2255 appears is made a party and served with summons, or shall execute  
2256 to the association, in form and with sureties acceptable to it, a  
2257 bond indemnifying it from any and all liability, loss, damage,

2258 costs and expenses for and on the account of the payment of such  
2259 adverse claim.

2260 SECTION 65. Section 81-12-129, Mississippi Code of 1972, is  
2261 reenacted as follows:

2262 81-12-129. An association may contract with the proper  
2263 authorities of any public or nonpublic elementary or secondary  
2264 school or institution of higher learning, or any public or  
2265 charitable institution caring for minors, for the participation  
2266 and implementation by the association in any school or  
2267 institutional thrift or savings plan, and it may accept savings  
2268 accounts at such a school or institution, either by its own  
2269 collector or by any representative of the school or institution  
2270 which becomes the agent of the association for such purpose.

2271 SECTION 66. Section 81-12-131, Mississippi Code of 1972, is  
2272 reenacted as follows:

2273 81-12-131. An association may contract with any employer  
2274 with respect to the solicitation, collection and receipt of  
2275 savings by payroll deduction to be credited to a designated  
2276 account or accounts of his or its employee or employees who  
2277 voluntarily may participate.

2278 SECTION 67. Section 81-12-133, Mississippi Code of 1972, is  
2279 reenacted as follows:

2280 81-12-133. Any association may continue to recognize the  
2281 authority of an attorney in fact authorized in writing to manage  
2282 or to make withdrawals either in whole or in part from the savings  
2283 account of a member or savings account holder until it receives  
2284 written notice or is on actual notice of the revocation of his  
2285 authority. For the purposes of this section, written notice of  
2286 the death or adjudication of incompetency of such savings account  
2287 holder shall constitute written notice of revocation of the  
2288 authority of his attorney. No such institution shall be liable  
2289 for damages, penalty or tax by reason of any payment made in  
2290 accord with this section.

2291 SECTION 68. Section 81-12-135, Mississippi Code of 1972, is  
2292 reenacted as follows:

2293 81-12-135. An association and any federal association may  
2294 issue savings accounts to any minor or other person under  
2295 disability as the sole and absolute owner of such savings account,  
2296 and receive payments thereon by or for such owner, and pay  
2297 withdrawals, accept pledges to the association, and act in any  
2298 other manner with respect to such accounts on the written  
2299 instruction of such savings account holder in accord with this  
2300 chapter. Any payment or delivery of rights to any minor or other  
2301 person under a disability, or a receipt or acquittance signed by a  
2302 minor or other person under a disability, who holds a savings  
2303 account, shall be a valid and sufficient release of such  
2304 association for any payment so made or delivery of rights to such  
2305 minor or person. The receipt, acquittance, pledge or other action  
2306 required by the association to be taken by such minor or person  
2307 shall be binding upon such minor or person with like effect as if  
2308 he were of full age and legal capacity. The parent or guardian of  
2309 such minor or person shall not in his capacity as parent or  
2310 guardian have the power to attach or in any manner to transfer any  
2311 savings account issued to or in the name of such minor or person;  
2312 provided, however, that in the event of the death of such minor or  
2313 person the receipt or acquittance of either parent, a person  
2314 standing in loco parentis, guardian or conservator of such minor  
2315 or person shall be a valid and sufficient discharge of such  
2316 association for any sum or sums not exceeding in the aggregate One  
2317 Thousand Dollars (\$1,000.00) unless the minor or person shall have  
2318 given written notice to the association not to accept the  
2319 signature of such person.

2320 SECTION 69. Section 81-12-137, Mississippi Code of 1972, is  
2321 reenacted as follows:

2322 81-12-137. (1) Accounts may be in the name of two (2) or  
2323 more persons, whether minor or adult, in such form that the monies

2324 in the accounts are payable to either, or the survivor or  
2325 survivors, and such money due under such accounts and all  
2326 additions thereto shall be the property of such persons as joint  
2327 tenants with the right of survivorship. The monies due under such  
2328 accounts may be paid to or on the order of any one of such persons  
2329 during his lifetime or to or on the order of any one of the  
2330 survivors of them after the death of any one or more of them. The  
2331 opening of the account in such form shall be conclusive evidence  
2332 as to the liability of the association only in any action or  
2333 proceeding to which the association is a party, of the intention  
2334 of all of the parties to the account to vest title to money due  
2335 under the account and the additions thereto in such survivor or  
2336 survivors. By written instructions given to the association by  
2337 all the parties to the account, the signatures of more than one  
2338 (1) of such persons during their lifetime or of more than one (1)  
2339 of the survivors after the death of any one (1) of them may be  
2340 required for withdrawal, in which case the association shall pay  
2341 the monies in the account only in accordance with such  
2342 instructions, but no such instructions shall limit the right of  
2343 the survivor or survivors to receive the money in the account. By  
2344 written agreement with the association, any person may create a  
2345 joint account with other persons as joint tenants with the right  
2346 of survivorship and said agreement may be signed only by the  
2347 persons creating said account.

2348 (2) The association, unless instructed in writing to the  
2349 contrary, may loan money to any one or more persons constituting a  
2350 single membership or account as joint tenants with the right of  
2351 survivorship, and any person authorized to make withdrawals as  
2352 provided in this section may pledge, hypothecate or assign all or  
2353 any part of the money due or to become due under such account. Any  
2354 such pledge, hypothecation or assignment or any increase to or  
2355 withdrawal from the account shall not destroy the joint tenancy  
2356 with right of survivorship.

2357           (3) Payment of all or any of the monies in such account, as  
2358 provided in this section, shall discharge the association from  
2359 liability with respect to the monies so paid, prior to receipt by  
2360 the association of a court order. After receipt of such court  
2361 order, an association may refuse, without liability, to honor any  
2362 withdrawal on the account pending determination of the rights of  
2363 the parties. No association paying any survivor in accordance  
2364 with the provisions of this section shall thereby be liable for  
2365 any estate, inheritance or succession taxes which may be due this  
2366 state.

2367           SECTION 70. Section 81-12-139, Mississippi Code of 1972, is  
2368 reenacted as follows:

2369           81-12-139. Any association may accept accounts in the name  
2370 of any administrator, executor, guardian, trustee or other  
2371 fiduciary in trust for a named beneficiary or beneficiaries. Any  
2372 such fiduciary shall have power to vote as a member as if any  
2373 membership account were held absolutely, to make payments upon,  
2374 and to withdraw any such account, in whole or in part. The  
2375 withdrawal value of any such account, or other rights relating  
2376 thereto may be paid or delivered, in whole or in part, to such  
2377 fiduciary, without regard to any notice to the contrary, as long  
2378 as such fiduciary is living. The payment or delivery to any such  
2379 fiduciary or a receipt of acquittance signed by any such fiduciary  
2380 to whom any such payment or any such delivery of rights is made  
2381 shall be valid and sufficient release and discharge of any  
2382 association for the payment or delivery so made. Whenever a  
2383 person holding an account in a fiduciary capacity dies and no  
2384 written notice of the revocation or termination of the trust  
2385 relationship shall have been given to an association and the  
2386 association has no notice of any other disposition of the trust  
2387 estate, the withdrawal value of such account, or other rights  
2388 relating thereto may, at the option of an association, be paid or  
2389 delivered, in whole or in part, to the beneficiary or

2390 beneficiaries of such trust. Whenever an account shall be opened  
2391 by any person describing himself in opening such account as  
2392 trustee for another and there is no other or further notice of the  
2393 existence and terms of a legal and valid trust, then such  
2394 description shall be given in writing to such association. In the  
2395 event of the death of the person so described as trustee, the  
2396 withdrawal value of such account or any part thereof may be paid  
2397 to the person for whom the account was thus stated to have been  
2398 opened, and such account and all additions thereto shall be the  
2399 property of such person, unless prior to payment the trust  
2400 agreement is presented to the association showing a contrary  
2401 interest. When made in accord with this section, the payment or  
2402 delivery to any such beneficiary, beneficiaries or designated  
2403 person, or a receipt or acquittance signed by any such  
2404 beneficiary, beneficiaries or designated person for any such  
2405 payment or delivery shall be valid and sufficient release and  
2406 discharge of an association for the payment or delivery so made.  
2407 Trust accounts permitted by this chapter shall not be required to  
2408 be acknowledged and recorded. When an account is opened in a form  
2409 described in this section, the right set forth in Section  
2410 81-12-145 shall apply. No association paying any beneficiary in  
2411 accordance with the provisions of this section shall thereby be  
2412 liable for any estate, inheritance or succession taxes which may  
2413 be due this state.

2414 SECTION 71. Section 81-12-141, Mississippi Code of 1972, is  
2415 reenacted as follows:

2416 81-12-141. When an account is held in any association by a  
2417 person residing in another state or country, the account, or any  
2418 part thereof not in excess of Two Thousand Five Hundred Dollars  
2419 (\$2,500.00), may be paid to the administrator or executor  
2420 appointed in the state or country where the account holder resides  
2421 at the time of death, provided such administrator or executor has  
2422 furnished the association with (a) authenticated copies of his

2423 letters and of the order of the court which issued the letters to  
2424 him authorizing him to collect, receive and remove the personal  
2425 estate, and (b) an affidavit by the administrator or executor that  
2426 to his knowledge no letters are then outstanding in this state and  
2427 no petition for letters by an heir, legatee, devisee or creditor  
2428 of the decedent is pending on the estate in this state, and that  
2429 there are no creditors of the estate in this state. Upon payment  
2430 or delivery to such representative after receipt of the affidavit  
2431 and authenticated copies, the association is released and  
2432 discharged to the same extent as if the payment or delivery had  
2433 been made to a legally qualified resident executor or  
2434 administrator, and is not required to see to the application or  
2435 disposition of the property. No action at law or in equity shall  
2436 be maintained against the association for payment made in  
2437 accordance with the above provisions.

2438 SECTION 72. Section 81-12-143, Mississippi Code of 1972, is  
2439 reenacted as follows:

2440 81-12-143. Any association may pay to the heirs at law of a  
2441 deceased savings account holder, without necessity of  
2442 administration, upon affidavit that deceased died leaving no last  
2443 will and testament and bond signed by each of the heirs  
2444 guaranteeing payment of any lawful debts of the deceased to the  
2445 extent of such withdrawal, any sum in the decedent's account not  
2446 in excess of Seven Thousand Five Hundred Dollars (\$7,500.00), and  
2447 the receipt of acquittance of the person or persons so paid shall  
2448 be valid and sufficient release and discharge to the association  
2449 as against all other persons and claimants for any payment so  
2450 made; however, such bond shall be made available to any creditor  
2451 for suit against the makers of such bond.

2452 SECTION 73. Section 81-12-145, Mississippi Code of 1972, is  
2453 reenacted as follows:

2454 81-12-145. Accounts payable at death may be established  
2455 under the following conditions:

2456           (a) An account in an association may be opened by any  
2457 person or persons with directions to make such an account payable  
2458 on the death of the person or persons opening such an account to  
2459 the named beneficiary or beneficiaries. When an account is so  
2460 opened, the association shall pay any monies to the credit of the  
2461 account from time to time to, or pursuant to the order of the  
2462 person or persons opening such an account during his or their  
2463 lifetime in the same manner as if the account were in the sole  
2464 name or names of such person or persons.

2465           (b) If the named beneficiary or one (1) of the  
2466 beneficiaries so named survive the death of the person opening  
2467 such an account and the beneficiary or all of the beneficiaries so  
2468 named are sixteen (16) years of age or over at the death of the  
2469 person opening such an account, the association shall pay the  
2470 monies to the credit of the account, less all proper setoffs and  
2471 charges, to the named beneficiary or beneficiaries or upon his or  
2472 their order, as hereinafter provided, and such payment by the  
2473 association shall be valid, notwithstanding any lack of legal age  
2474 of the named beneficiary or beneficiaries; provided, however,  
2475 where such an account is opened or subsequently held by more than  
2476 one (1) person, the death of one (1) of such persons shall not  
2477 terminate the account and the account shall continue as to the  
2478 surviving person or persons and the named beneficiary or  
2479 beneficiaries subject to the provisions of subsections (c) through  
2480 (i) of this section.

2481           (c) If the named beneficiary or all of the  
2482 beneficiaries so named survive the death of the person or persons  
2483 opening such an account and are under sixteen (16) years of age at  
2484 such time, the association shall pay the monies to the credit of  
2485 the account, less all proper setoffs and charges:

2486           (i) When or after the named beneficiary becomes  
2487 sixteen (16) years of age, to the named beneficiary or upon his  
2488 order; or

2489                   (ii) When more than one (1) beneficiary is named,  
2490 the association shall pay to each beneficiary so named his  
2491 proportionate interest in such account as each severally becomes  
2492 sixteen (16) years of age; or

2493                   (iii) To the legal guardian of the named  
2494 beneficiary, wherever appointed and qualified, or where more than  
2495 one (1) beneficiary is named, the association shall pay such  
2496 beneficiary's proportionate interest in such account to his legal  
2497 guardian wherever and whenever appointed and qualified; or

2498                   (iv) In the event no guardian is appointed and  
2499 qualified, payment may be made in accordance with the provisions  
2500 of Section 93-13-211 et seq., in situations to which such section  
2501 or sections are applicable.

2502                   (d) Where the death of the person or persons opening  
2503 such an account terminates the account under the provisions of  
2504 subsections (b) and (c) of this section and where one or more of  
2505 the named beneficiaries are under sixteen (16) years of age and  
2506 the remainder of the named beneficiaries are sixteen (16) years of  
2507 age or over, the association shall pay the monies to the credit of  
2508 the trust, less all proper setoffs and charges, to:

2509                   (i) The named beneficiaries sixteen (16) years of  
2510 age or over at the time of termination of said account pursuant to  
2511 subsection (b) of this section, and

2512                   (ii) The named beneficiaries under sixteen (16)  
2513 years of age at the time of termination of said account pursuant  
2514 to subsection (c) of this section.

2515                   (e) Where such account is opened or subsequently held  
2516 by more than one (1) person, the association, in the absence of  
2517 any written instructions to the contrary, consented to by the  
2518 association, shall accept payments made to such account and may  
2519 pay any monies to the credit of such account from time to time to,  
2520 or pursuant to the order of, either or any of said persons during

2521 their life or lives in the same manner as if the account were in  
2522 the sole name of either or any of such persons.

2523           (f) When a person or persons opens an account in an  
2524 association, in the form set forth in subsection (a) of this  
2525 section, and makes a payment or payments to such account, or  
2526 causes a payment or payments to be made to such account, such  
2527 person or persons shall be conclusively presumed to intend to vest  
2528 in the named beneficiary or beneficiaries a present beneficial  
2529 interest in such payment so made, and in the monies to the credit  
2530 of the account from time to time, to the end that, if the named  
2531 beneficiary or beneficiaries survive the person or persons opening  
2532 such an account, all the right and title of the person or persons  
2533 opening such an account in and to the monies to the credit of the  
2534 account at the death of such person or persons, less all proper  
2535 setoffs and charges, shall, at such death, vest solely and  
2536 indefeasibly in the named beneficiary or beneficiaries subject to  
2537 the conditions and limitations of subsections (c) through (i) of  
2538 this section.

2539           (g) If the named beneficiary predeceases the person  
2540 opening such an account, the present beneficial interest presumed  
2541 to be vested in the named beneficiary pursuant to subsection (f)  
2542 of this section shall terminate at the death of the named  
2543 beneficiary. In such case, the personal representatives of the  
2544 named beneficiary, and all others claiming through or under the  
2545 named beneficiary, shall have no right in or title to the monies  
2546 to the credit of the account, and the association shall pay such  
2547 monies, less all proper setoffs and charges, to the person opening  
2548 such an account, or pursuant to his order, in the same manner as  
2549 if the account were in the sole name of the person opening such an  
2550 account; provided, however, where such an account names more than  
2551 one (1) beneficiary, the death of one (1) of the beneficiaries so  
2552 named shall not terminate the account and the account shall

2553 continue as to the surviving beneficiary or beneficiaries subject  
2554 to the provisions of subsections (c) through (i) of this section.

2555 (h) An association which makes any payment pursuant to  
2556 subsections (c) through (g) of this section, prior to service upon  
2557 the association or an order of court restraining such payment,  
2558 shall, to the extent of each payment so made, be released from all  
2559 claims of the person or persons opening such an account, the named  
2560 beneficiary or beneficiaries, their legal representatives, and all  
2561 others claiming through or under them.

2562 (i) When an account is opened in a form described in  
2563 subsection (a) of this section, the right of the named beneficiary  
2564 or beneficiaries to be vested with sole and indefeasible title to  
2565 the monies to the credit of the account on the death of the person  
2566 or persons opening such an account shall not be denied, abridged  
2567 or in anywise affected because such right has not been created by  
2568 a writing executed in accordance with the law of this state  
2569 prescribing the requirements to effect a valid testamentary  
2570 disposition of property.

2571 SECTION 74. Section 81-12-147, Mississippi Code of 1972, is  
2572 reenacted as follows:

2573 81-12-147. (1) Administrators, executors, custodians,  
2574 guardians, trustees, pension funds and other fiduciaries of every  
2575 kind and nature, insurance companies, business and manufacturing  
2576 companies, banks, credit unions and all other types of financial  
2577 institutions, charitable, educational and eleemosynary  
2578 institutions and organizations hereby are specifically authorized  
2579 and empowered to invest funds held by them, without any order of  
2580 any court, in savings accounts of associations which are under  
2581 state supervision, and in accounts of insured associations, and  
2582 such investments shall be deemed and held to be legal investments  
2583 for such funds. With respect to investments by custodians,  
2584 associations hereby are deemed to be qualified institutions within

2585 the meaning of that term as used in the Uniform Gifts to Minors  
2586 Law of this state.

2587 (2) The provisions of this section are supplemental to any  
2588 and all other laws relating to and declaring what shall be legal  
2589 investments for the persons, fiduciaries, corporations,  
2590 organizations and officials referred to in this section, and the  
2591 laws relating to the deposit of securities and the making and  
2592 filing of bonds for any purpose.

2593 SECTION 75. Section 81-12-149, Mississippi Code of 1972, is  
2594 reenacted as follows:

2595 81-12-149. An association may pay earnings on its savings  
2596 accounts from sources available for payment of earnings at such  
2597 rate and at such times and for such time or notice periods as  
2598 shall be determined by resolution of its board of directors  
2599 subject to such rules and regulations promulgated by the  
2600 commissioner. Except for accounts which shall be classified  
2601 according to a specified contractual time or notice period,  
2602 earnings shall be declared on the withdrawal value of each savings  
2603 account at the beginning of the accounting period, plus additions  
2604 thereto made during the period (less amounts previously withdrawn  
2605 and noticed for withdrawal, which for earnings purposes shall be  
2606 deducted from the latest previous additions thereto) computed at  
2607 the declared rate for the time the funds have been invested, which  
2608 time shall be fixed by the bylaws of the association. No earnings  
2609 shall be declared or paid for an accounting period unless the  
2610 allocation to the general reserve for the preceding accounting  
2611 period required herein has been made. The board of directors, by  
2612 resolution, may determine that earnings shall not be paid on any  
2613 savings account which has a withdrawal value of a specified amount  
2614 less than Fifty Dollars (\$50.00) or which by written agreement is  
2615 intended to be closed within a specified period less than fifteen  
2616 (15) months after the date on which such savings account is  
2617 opened, provided that an exception may be made and earnings paid

2618 on savings accounts opened pursuant to Sections 81-12-129 and  
2619 81-12-131. The directors shall determine by resolution the method  
2620 of calculating the amount of any earnings on savings accounts as  
2621 herein provided, and the time or times when earnings are to be  
2622 declared, paid or credited.

2623 SECTION 76. Section 81-12-151, Mississippi Code of 1972, is  
2624 reenacted as follows:

2625 81-12-151. Any savings account holder or other account  
2626 holder or his authorized representative may at any time present a  
2627 written application for withdrawal of all or any part of his  
2628 savings account or other account. Every association shall pay,  
2629 except as provided below, every withdrawal application in the  
2630 amount stated thereon in the form of cash or one or more checks or  
2631 similar instruments payable to the order of the account holder.  
2632 However, if a federal savings and loan association located in this  
2633 state acquires the right and power to pay withdrawal applications  
2634 in the form of checks or similar instruments payable to the order  
2635 of others than the account holder as directed, or by the transfer  
2636 of credits to the account or accounts of others in an institution  
2637 as directed, then an association incorporated pursuant to or  
2638 operating under the provisions of this chapter may have and  
2639 possess the same rights and powers if prescribed by the board  
2640 pursuant to subsection (r) of Section 81-12-49. No withdrawal  
2641 shall be made in excess of the withdrawal value of such savings  
2642 account or accounts, together with any earnings which may have  
2643 been declared and may have accrued thereon for the current period.  
2644 The payment of withdrawals from savings accounts shall be subject  
2645 to the right of the association to require notice not to exceed  
2646 thirty (30) days and shall be subject to such rules and procedures  
2647 as may be prescribed by regulations of the commissioner, but any  
2648 association which, except as authorized in writing by the  
2649 commissioner, fails to make full payment of any withdrawal when

2650 due shall be deemed to be in an impaired condition to transact  
2651 business within the meaning of Section 81-12-183 of this chapter.

2652 SECTION 77. Section 81-12-153, Mississippi Code of 1972, is  
2653 reenacted as follows:

2654 81-12-153. At any time funds are on hand for the purpose,  
2655 the association shall have the right to redeem by lot as the board  
2656 of directors may determine, all or any part of any of its savings  
2657 accounts on an earnings date by giving thirty (30) days' notice by  
2658 registered mail addressed to each affected account holder at his  
2659 last address as recorded on the books of the association. No  
2660 association shall redeem any of its savings accounts when the  
2661 association is in an impaired condition or when it is unable to  
2662 pay its applications for withdrawal. The redemption price of  
2663 savings accounts redeemed shall be the full value of the account  
2664 redeemed, as determined by the board of directors, but in no event  
2665 shall the redemption price be less than the withdrawal value. If  
2666 the aforesaid notice of redemption shall have been duly given, and  
2667 if on or before the redemption date the funds necessary for such  
2668 redemption shall have been set aside so as to be and continue to  
2669 be available therefor, earnings upon the accounts called for  
2670 redemption shall cease to accrue from and after the earnings date  
2671 specified as the redemption date; and all rights with respect to  
2672 such accounts shall forthwith, after such redemption date,  
2673 terminate, except only for the right of the account holder of  
2674 record to receive the redemption price with interest to the  
2675 redemption date. All savings account books or certificates  
2676 evidencing former savings accounts which have been validly called  
2677 for redemption must be tendered for payment within ten (10) years  
2678 from the date of redemption designated in the redemption notice,  
2679 otherwise they shall be cancelled. After the expiration of the  
2680 period of ten (10) years, the association in which the funds are  
2681 located shall, within six (6) months, pay the funds to the

2682 commissioner, who shall deposit such funds to the department's  
2683 account with the State Treasurer.

2684 SECTION 78. Section 81-12-155, Mississippi Code of 1972, is  
2685 reenacted as follows:

2686 81-12-155. Associations shall have power to invest in  
2687 securities as follows:

2688 (a) Without limit, in obligations of, or obligations  
2689 which are fully guaranteed as to principal and interest by, the  
2690 United States or this state; in stock or obligations of any  
2691 federal home loan bank or banks; in stock or obligations of the  
2692 Federal Deposit Insurance Corporation; in stock or obligations of  
2693 the Federal National Mortgage Association, the Government National  
2694 Mortgage Association, Federal Home Loan Mortgage Corporation, or  
2695 any successor or successors thereto; in demand, time, or savings  
2696 deposits, accounts or other obligations of any financial  
2697 institution the accounts of which are insured by a federal agency;  
2698 in bankers' acceptances which are eligible for purchase by Federal  
2699 Reserve banks;

2700 (b) Not in excess of twenty-five percent (25%) of its  
2701 assets in (i) bonds, notes or other evidences of indebtedness  
2702 which are a general obligation of, or guaranteed as to principal  
2703 and interest by, any agency or instrumentality of the United  
2704 States not specified in subsection (a) or of this state, or any  
2705 city, town, village, county, district or other municipal  
2706 corporation or political subdivision of this state, or any public  
2707 instrumentality or public authority of any one or more of the  
2708 foregoing; (ii) capital stock, obligations, or other securities of  
2709 service organizations, provided that the commissioner shall  
2710 establish by regulation the permissible aggregate of such  
2711 investments as a percentage of assets; and (iii) other stocks,  
2712 securities and obligations which the board shall approve and place  
2713 on a list to be published and distributed to every association  
2714 from time to time, and the commissioner is directed to publish and

2715 make distribution of such a list. An association holding  
2716 investments which are so listed by the commissioner shall have a  
2717 reasonable time to dispose of the same if at a later time the  
2718 commissioner shall remove such investments from the list.

2719 SECTION 79. Section 81-12-157, Mississippi Code of 1972, is  
2720 reenacted as follows:

2721 81-12-157. No association shall invest in any security,  
2722 other than those that qualify as liquid assets, or in any loan at  
2723 any time when its liquid assets are less than five percent (5%) of  
2724 its savings liability unless the commissioner shall after  
2725 investigation have issued written approval.

2726 SECTION 80. Section 81-12-159, Mississippi Code of 1972, is  
2727 reenacted as follows:

2728 81-12-159. Every association shall have power to invest in  
2729 loans and other investments as follows:

2730 (a) Loans secured by its savings accounts to the extent  
2731 of the withdrawal value thereof;

2732 (b) Real estate loans in any amount not exceeding the  
2733 value of the security, subject to the following conditions:

2734 (i) No association shall make a real estate loan  
2735 to one borrower if the sum of (1) the amount of such loan, and (2)  
2736 the total balances of all outstanding loans owed to such  
2737 association by such borrower, excluding the amount of any loan on  
2738 the security of a savings account, exceeds an amount equal to ten  
2739 percent (10%) of such association's savings liability or an amount  
2740 equal to the sum of such association's net worth except that any  
2741 such loan may be made if the sum of (1) and (2) does not exceed  
2742 One Hundred Thousand Dollars (\$100,000.00);

2743 (ii) An association may (1) participate with one  
2744 or more financial institutions, or entities having a tax exemption  
2745 under Section 501(a) of the Internal Revenue Code, in any real  
2746 estate loan of the type in which such association is authorized to  
2747 invest on its own account, provided that the participating

2748 interest of such association is not subordinated or inferior to  
2749 any other participating interest; or (2) participate in such real  
2750 estate loans with other than financial institutions or those  
2751 entities described, provided that the participating interest of  
2752 such association is superior to the participating interests of  
2753 such other participants;

2754 (iii) Such restrictions on real estate loans on  
2755 real estate located outside the primary lending area of an  
2756 association and on real estate loans as the commissioner may  
2757 establish by regulation;

2758 (iv) Such other restrictions as the commissioner  
2759 may establish.

2760 (c) Loans secured by the pledge of loans or  
2761 investments, the assignment of which need not be recorded, of a  
2762 type in which the association is authorized to invest, provided  
2763 that the loans and investments so pledged shall be subject to all  
2764 restrictions and requirements which would be applicable were the  
2765 association to invest directly in such loans or investments;

2766 (d) Loans secured by the pledge of policies of life  
2767 insurance, the assignment of which is properly acknowledged by the  
2768 insured, but not exceeding the cash value of such policies;

2769 (e) Property improvement loans made pursuant to the  
2770 provisions of any title of the National Housing Act or subject to  
2771 any limitation as to maximum loan amount prescribed by the  
2772 commissioner for all associations, loans to homeowners and other  
2773 property owners for the construction, maintenance, repair,  
2774 alteration, modernization, landscaping, improvement, furnishing or  
2775 equipping of properties pursuant to rules and regulations  
2776 prescribed by the commissioner;

2777 (f) Loans made for the purpose of mobile home  
2778 financing, subject to any limitation as to maximum loan amount  
2779 which may be prescribed by the commissioner for all associations.

2780 For the purpose of this subsection, "mobile home" shall mean a  
2781 movable accommodation used or designed for use as living quarters;

2782 (g) Such real property or interests therein, including  
2783 real estate for home or branch offices, as the directors may deem  
2784 necessary or convenient for the conduct of the business of the  
2785 association, which for the purposes of this chapter shall be  
2786 deemed to include the ownership of stock of a wholly owned  
2787 subsidiary corporation having as its exclusive activity the  
2788 ownership and management of such property or interests, but the  
2789 amount so invested shall not exceed the net worth of the  
2790 association, provided that the commissioner may authorize a  
2791 greater amount to be so invested.

2792 SECTION 81. Section 81-12-161, Mississippi Code of 1972, is  
2793 reenacted as follows:

2794 81-12-161. Real estate loans eligible for investment by an  
2795 association under this chapter shall be written upon loan plans  
2796 approved by the commissioner, which shall include provisions for  
2797 appraisals, payments, evidences of the loans, and security  
2798 instruments, and may include provisions concerning liens, payments  
2799 of taxes and insurance premiums and similar charges, and advance  
2800 payments of taxes and insurance premiums and similar charges.

2801 SECTION 82. Section 81-12-163, Mississippi Code of 1972, is  
2802 reenacted as follows:

2803 81-12-163. In connection with a loan, the borrower may be  
2804 required to pay an attorney of his choice for services performed  
2805 in connection with the loan; the borrower shall not be required to  
2806 pay any attorney's fee to any attorney not selected by the  
2807 borrower; and the borrower shall have the right to obtain at his  
2808 own expense, if such insurance would be required by the lender,  
2809 fire and casualty insurance on the property offered as security,  
2810 or credit life insurance, from an insurance agent of the  
2811 borrower's choice. The commissioner is empowered to promulgate  
2812 rules and regulations governing the filing and maintenance by the

2813 borrower with the association of fire and casualty insurance on  
2814 the property offered as security, and title insurance. But the  
2815 commissioner shall not authorize title insurance in any company  
2816 that is not authorized to do business in the State of Mississippi.

2817 SECTION 83. Section 81-12-165, Mississippi Code of 1972, is  
2818 reenacted as follows:

2819 81-12-165. Every association may require borrowers to pay  
2820 all reasonable expenses incurred in connection with the making,  
2821 closing, disbursing, extending, readjusting or renewing of real  
2822 estate loans as shall be authorized by the commissioner. If an  
2823 attorney's fee is charged the borrower in connection with any  
2824 loan, the borrower shall have the right to select an attorney of  
2825 his choice to close the loan and to look after his interests in  
2826 connection with the loan and the fee shall be paid to the attorney  
2827 selected. It is the intention of the Legislature to insure that  
2828 the borrower shall not be required to pay any attorney's fee to  
2829 any attorney other than the attorney selected by the borrower to  
2830 close the loan. The borrower shall be advised by the association  
2831 in writing of his right to select an attorney, provided that such  
2832 attorney is on an approved list of a title insurance company  
2833 acceptable to the association, and authorized to do business in  
2834 the State of Mississippi. Title insurance is used herein as a  
2835 criterion for qualifications of attorneys only, and nothing in  
2836 this chapter shall be construed as requiring any association to  
2837 require a borrower to secure a title insurance policy in addition  
2838 to the regular attorney's certification of title. However, an  
2839 association may, if it desires, require title insurance policies  
2840 on loans, but if policies are required from one (1) attorney they  
2841 shall be required from all attorneys used in connection with loans  
2842 under this section. No association shall discriminate as to any  
2843 charges, fees or discounts, or make any different charges  
2844 whatsoever between loans closed by an attorney selected or  
2845 recommended by, or representing the association and loans closed

2846 by an attorney selected by the borrower under the provisions of  
2847 this subsection. It is the intent of the Legislature that  
2848 borrowers shall be free to select attorneys of their choice to  
2849 close all loans under the authority of this paragraph, without  
2850 incurring any additional charge or expense whatsoever. The  
2851 commissioner shall have the authority to adopt reasonable rules  
2852 and regulations to promulgate the provisions of this subsection.  
2853 Any association, or any officer or employee of any such  
2854 association willfully violating the provisions of this subsection  
2855 shall be guilty of a misdemeanor and, upon conviction thereof,  
2856 shall be fined not less than One Hundred Dollars (\$100.00) nor  
2857 more than Five Hundred Dollars (\$500.00).

2858 SECTION 84. Section 81-12-167, Mississippi Code of 1972, is  
2859 reenacted as follows:

2860 81-12-167. A late payment charge, not exceeding Five Dollars  
2861 (\$5.00) or four percent (4%) of the amount of any delinquency,  
2862 whichever is greater, if contracted for, shall not be considered  
2863 interest under the usury laws. However, no such charge shall be  
2864 made unless such delinquency is more than fifteen (15) days past  
2865 due.

2866 SECTION 85. Section 81-12-169, Mississippi Code of 1972, is  
2867 reenacted as follows:

2868 81-12-169. The directors of an association may, at any time  
2869 before an actual sale of property on a foreclosure proceeding  
2870 previously instituted by the association, reinstate a loan and any  
2871 savings account securing the same. The effect of such  
2872 reinstatement shall be to place the association, the borrower, and  
2873 any other interested person in the same legal position as if no  
2874 action had been taken, looking to such foreclosure.

2875 SECTION 86. Section 81-12-171, Mississippi Code of 1972, is  
2876 reenacted as follows:

2877 81-12-171. In the case of any investment made by an  
2878 association in a real estate loan where the ownership of the real

2879 estate security or any part thereof later becomes vested in a  
2880 person other than the party or parties originally executing the  
2881 security instruments, unless there is an agreement in writing to  
2882 the contrary, an association may, without notice to such party or  
2883 parties, deal with such successor or successors in interest with  
2884 reference to said mortgage and the debt thereby secured in the  
2885 same manner as with such party or parties, and may forbear to sue  
2886 or may extend time for payment of or otherwise modify the terms of  
2887 the debt secured thereby, without discharging or in any way  
2888 affecting the liability of such original party or parties  
2889 thereunder or upon the debt thereby secured.

2890 SECTION 87. Section 81-12-173, Mississippi Code of 1972, is  
2891 reenacted as follows:

2892 81-12-173. An association, with the approval of the  
2893 commissioner, may operate a business, manage or deal in property,  
2894 or take any other action over whatever period of time may  
2895 reasonably be necessary to avoid loss on a loan or investment  
2896 theretofore made or an obligation created in good faith.

2897 SECTION 88. Section 81-12-175, Mississippi Code of 1972, is  
2898 reenacted as follows:

2899 81-12-175. (1) A branch office is a legally established  
2900 place of business of the association other than the home office,  
2901 authorized by the board of directors and approved as provided  
2902 herein, at which savings accounts and loan payments may be  
2903 accepted and applications for loans may be received, and at which  
2904 account books and certificates may be issued and loans may be  
2905 closed by employees of the association.

2906 (2) Each association shall be operated from the home office.  
2907 All branch offices shall be subject to direction from the home  
2908 office.

2909 (3) No association may establish or operate a branch office  
2910 without authorization of the commissioner. Each application for  
2911 approval of the establishment and operation of a branch office

2912 shall state the proposed location thereof, the need therefor, the  
2913 functions to be performed therein, the estimated volume of  
2914 business thereof, the estimated annual expense thereof and the  
2915 mode of payment therefor, and shall be accompanied by a budget of  
2916 the association for the current earnings period and for the next  
2917 succeeding semiannual period, which reflects the estimated  
2918 additional expense of the maintenance of such a branch office. A  
2919 resolution adopted by the board of directors of the association  
2920 authorizing the proposed branch office and specifying the location  
2921 and manner in which the branch office will be financed shall be  
2922 submitted with each application. The commissioner may, by  
2923 regulation, require the application to state other relevant and  
2924 necessary information. Applications shall be made to the  
2925 commissioner; and, upon receipt, he shall make an investigation to  
2926 determine whether the establishment and maintenance of such office  
2927 will unduly injure any properly conducted existing association or  
2928 federal association in the community where such branch office is  
2929 proposed to be established. The provisions of Section 81-12-29 of  
2930 this chapter shall be followed in processing such application,  
2931 except that the hearing shall be before the commissioner instead  
2932 of the board.

2933 (4) No association may change the location of a branch  
2934 office to a municipality other than that in which it is located  
2935 without authorization of the commissioner. Each application for  
2936 approval of change of location of a branch office to another  
2937 municipality shall state the proposed location thereof, the need  
2938 therefor, the functions to be performed therein, the estimated  
2939 volume of business thereof, the estimated annual expense thereof,  
2940 and the mode of payment therefor, and shall be accompanied by a  
2941 budget of the association for the current earnings period and for  
2942 the next succeeding semiannual period, which reflects the  
2943 estimated additional expense of the maintenance of such proposed  
2944 change of location of the branch office. A resolution adopted by

2945 the board of directors of the association authorizing the proposed  
2946 change of location of the branch office to another municipality  
2947 and specifying the location and proposed manner in which such  
2948 branch office will be financed shall be submitted with each  
2949 application. The commissioner may, by regulation, require the  
2950 application to state other relevant and necessary information.  
2951 Applications shall be made to the commissioner; and, upon receipt,  
2952 he shall make an investigation to determine whether the  
2953 establishment and maintenance of such office will unduly injure  
2954 any properly conducted existing association or federal association  
2955 in the community to which the location of such branch office is  
2956 proposed to be changed. The provisions of Section 81-12-29 shall  
2957 be followed in processing such applications, except that the  
2958 hearing shall be before the commissioner instead of the board.

2959 (5) No association may change the location of a branch  
2960 office to another location in the same municipality without  
2961 authorization by the commissioner. The commissioner shall  
2962 prescribe the form of the application, prerequisites and  
2963 requirements. Notice of such proposed change of location shall be  
2964 given as provided in Section 81-12-29(1). If no protests are  
2965 filed after such notice, the commissioner may approve such  
2966 application if it meets the established prerequisites and  
2967 requirements. If protests are filed, the commissioner, upon  
2968 reasonable notice to the applying association and its attorney and  
2969 to the protestants and their attorneys, shall hold a hearing and,  
2970 based upon his written findings at such hearing, issue a  
2971 certificate of approval or disapproval.

2972 (6) No branch office in this state may be discontinued or  
2973 abandoned without the consent in writing of the commissioner first  
2974 obtained.

2975 SECTION 89. Section 81-12-176, Mississippi Code of 1972, is  
2976 reenacted as follows:

2977           81-12-176. No association shall, without authorization by  
2978 the commissioner, establish a savings branch office, loan branch  
2979 office or a loan processing office. The commissioner shall  
2980 prescribe the form of the application, prerequisites and  
2981 requirements for the above types of offices. If no protest is  
2982 filed after notice has been given as provided in Section  
2983 81-12-29(1), the commissioner may approve the application for the  
2984 above-described limited service branch offices if the established  
2985 prerequisites and requirements are met. If protests are filed,  
2986 the commissioner, upon reasonable notice to the applying  
2987 association and its attorney and to the protestants and their  
2988 attorneys, shall hold a hearing and, based upon his written  
2989 findings at such hearing, issue a certificate of approval or  
2990 disapproval.

2991           SECTION 90. Section 81-12-177, Mississippi Code of 1972, is  
2992 reenacted as follows:

2993           81-12-177. (1) On or before the forty-fifth day after the  
2994 end of an association's annual accounting period, every  
2995 association shall make an annual written report to the  
2996 commissioner, upon a form to be prescribed and/or furnished by the  
2997 commissioner, of its affairs and operations, which shall include a  
2998 complete statement of its financial condition, including a  
2999 statement of income and expense since its last previous similar  
3000 report, for the twelve (12) months ending on the last day of its  
3001 accounting period of the previous year. This report shall include  
3002 a statement of full compliance with this chapter, and such other  
3003 information as the commissioner shall direct. Every such report  
3004 shall be verified by the president, managing officer or any other  
3005 officer designated by the commissioner.

3006           (2) Every association also shall make such other reports as  
3007 the commissioner may from time to time require, which shall be in  
3008 such form and filed on such date as he may prescribe and shall be  
3009 verified in the same manner as the annual report.

3010           (3) The commissioner shall require that every association  
3011 have its affairs examined and be audited at least once a year.  
3012 The commissioner shall review such examination and audit within a  
3013 reasonable time after their completion.

3014           (4) The commissioner shall accept any examination made or  
3015 any audit caused to be made by a federal home loan bank, the  
3016 appropriate federal regulatory authority, or by the Federal  
3017 Deposit Insurance Corporation.

3018           (5) The commissioner may, without previous notice, examine  
3019 or cause an examination to be made into the affairs of an  
3020 association.

3021           (6) Whenever, in the judgment of the commissioner, the  
3022 condition of any association renders it necessary or expedient to  
3023 make any extra examination or audit or to devote any extraordinary  
3024 attention to its affairs, the commissioner shall cause the same to  
3025 be done. A full and complete copy of the report of all  
3026 examinations and audits shall be furnished to the association  
3027 examined. Such report of examination or audit shall be presented  
3028 by the president to the board of directors at its next regular or  
3029 special meeting.

3030           (7) The commissioner is authorized in connection with any  
3031 examination or audit of any association to cause to be made  
3032 appraisals of real estate held by the association or securing the  
3033 association's assets when specific facts or information with  
3034 respect to real estate held, secured loans or lending, or when in  
3035 his opinion the association's policies, practices, operating  
3036 results and trends give evidence that an association's appraisals  
3037 may be excessive, that lending or investment may be of a marginal  
3038 nature, that appraisal policies and practices may not conform with  
3039 generally accepted and established professional standards, or that  
3040 real estate held by the association or assets secured by real  
3041 estate are overvalued. In lieu of causing such appraisals to be  
3042 made, the commissioner may accept any appraisal caused to be made

3043 by a federal home loan bank, the appropriate federal regulatory  
3044 authority, or by the Federal Deposit Insurance Corporation.  
3045 Unless otherwise ordered by the commissioner, appraisal of real  
3046 estate in connection with any examination or audit pursuant to  
3047 this section shall be made by a professional appraiser or  
3048 appraisers selected by the commissioner, and the cost of such  
3049 appraisal promptly shall be paid by such association directly to  
3050 such appraiser or appraisers, upon receipt by the association of a  
3051 statement of such cost bearing the written approval of the  
3052 commissioner. A copy of the report of such appraisal caused to be  
3053 made by the commissioner, pursuant to this subsection, shall be  
3054 furnished to the association within a reasonable time, not to  
3055 exceed sixty (60) days following the completion of such  
3056 appraisals, and may be furnished to the insuring agency.

3057 (8) The commissioner or his examiners or auditors shall have  
3058 free access to all books and papers of an association, a holding  
3059 company of an association, or a service organization, the  
3060 principal office of which is located in this state and which is  
3061 principally owned by one or more thrift institutions, which relate  
3062 to its business and books and papers kept by any officer, agent or  
3063 employee, relating to or upon which any record of its business is  
3064 kept, and may summon witnesses and administer oaths or  
3065 affirmations in the examination of the directors, officers, agents  
3066 or employees of any such association, service organization or any  
3067 other person in relation to its affairs, transactions and  
3068 conditions, and may require and compel the production of records,  
3069 books, papers, contracts or other documents by court order, if not  
3070 voluntarily produced.

3071 SECTION 91. Section 81-12-178, Mississippi Code of 1972, is  
3072 reenacted as follows:

3073 81-12-178. (1) The commissioner shall obtain each year from  
3074 the appropriate federal financial supervisory agency or agencies  
3075 the public sections of the written evaluations prepared pursuant

3076 to 12 USCS Section 2906 of the Community Reinvestment Act, as  
3077 amended (12 USCS Section 2901 et seq.), of each state savings  
3078 association, savings bank, and savings and loan association and  
3079 each federal savings and loan association located in Mississippi,  
3080 and each savings and loan holding company that controls any  
3081 savings association, savings bank or savings and loan association  
3082 located in Mississippi. Once each year, the commissioner shall  
3083 publish in some newspaper having a general circulation in the  
3084 state a statement that the public section of the written  
3085 evaluation prepared pursuant to 12 USCS Section 2906 of the  
3086 Community Reinvestment Act, as amended (12 USCS Section 2901 et  
3087 seq.), of each such savings association, savings bank, savings and  
3088 loan association and savings and loan holding company is  
3089 maintained in the office of the commissioner and will be made  
3090 available for inspection to any person upon request during  
3091 business hours, and that copies of all or part of any evaluation  
3092 will be furnished to any person upon request for a reasonable  
3093 copying fee prescribed by the commissioner.

3094 (2) For the purposes of this section, the term "appropriate  
3095 federal financial supervisory agency" shall have the same meaning  
3096 as the definition in 12 USCS Section 2902.

3097 SECTION 92. Section 81-12-179, Mississippi Code of 1972, is  
3098 reenacted as follows:

3099 81-12-179. If the commissioner, as a result of any  
3100 examination or from any report made to him, shall find that any  
3101 association is violating the provisions of its certificate of  
3102 incorporation or bylaws, or the laws of this state or of the  
3103 United States, or any lawful order or regulation of the  
3104 commissioner, he shall, by a formal written order delivered to the  
3105 association as aforesaid, state any alleged violation, together  
3106 with a statement of the facts alleged to be such violation, and  
3107 order discontinuance of such violation and conformance with all  
3108 requirements of law. Such order shall specify the effective date

3109 thereof, which may be immediate or may be at a later date, and  
3110 such order shall remain in effect until withdrawn by the  
3111 commissioner or until terminated by a court order. Such order of  
3112 the commissioner, upon application made on or after the effective  
3113 date thereof by the commissioner to the chancery court in the  
3114 county in which the home office of the association is located,  
3115 shall be enforced ex parte and without notice by an order to  
3116 comply entered by the court. Such proceedings shall be given  
3117 precedence over all cases pending in such court, and shall in  
3118 every way be expedited. Any association affected by such order of  
3119 the commissioner shall, after receipt thereof, have the right to  
3120 apply within thirty (30) days to any such court for an immediate  
3121 hearing and order suspending the order of the commissioner upon  
3122 such conditions as may be prescribed by the court until such time  
3123 as the hearing has been completed. The hearing of such  
3124 application to the court shall be upon such notice to the  
3125 commissioner as the court shall provide. Whether upon application  
3126 by the commissioner or by the association, such court shall have  
3127 power to and shall adjudicate the question and enter the proper  
3128 order or orders and enforce the same.

3129 SECTION 93. Section 81-12-181, Mississippi Code of 1972, is  
3130 reenacted as follows:

3131 81-12-181. (1) If the commissioner, as a result of any  
3132 examination or from any report made to him, believes that the  
3133 public interest may be served by the appointment of a conservator,  
3134 and if he shall find that: (a) the capital of an association is  
3135 impaired, or (b) the association is concealing any assets, books  
3136 or records, or (c) the members of such association are in actual  
3137 danger of loss due to mismanagement, misappropriation of funds,  
3138 fraud, violation of this chapter, or violation of any lawful rule  
3139 of the commissioner, or (d) any association is in violation of an  
3140 order or injunction, as authorized by this section, which has  
3141 become final in that time to appeal has expired without appeal or

3142 a final order entered from which there can be no appeal, the  
3143 commissioner may appoint a conservator for such association, which  
3144 may be the commissioner or any other person, and upon such  
3145 appointment shall apply immediately to the chancery court in the  
3146 county in which the home office of the association is located for  
3147 confirmation of such appointment, and such court shall have  
3148 exclusive jurisdiction to determine the issues and all related  
3149 matters. Such proceedings shall be given precedence over other  
3150 cases pending in such court, and shall in every way be expedited.  
3151 Such court shall confirm such appointment if it shall find that  
3152 one or more of such grounds exist, and a certified copy of the  
3153 order of the court confirming such appointment shall be evidence  
3154 thereof. Such conservator shall have the power and authority  
3155 provided in this chapter and such other power and authority as may  
3156 be expressed in the order of the court. Such conservator shall  
3157 endeavor promptly to remedy the situations complained of by the  
3158 commissioner in his application for confirmation of such  
3159 appointment. Within six (6) months of the date of such  
3160 appointment, or within twelve (12) months if the court shall  
3161 extend such period of six (6) months, such association shall be  
3162 returned to the board of directors thereof and thereafter shall be  
3163 managed and operated as if no conservator had been appointed, or a  
3164 receiver shall be appointed as hereinafter provided. If the  
3165 commissioner or examiner is appointed conservator, he shall  
3166 receive no additional compensation, but if another person is  
3167 appointed, then the compensation of the conservator, as determined  
3168 by the court, shall be paid by the association. A certified copy  
3169 of the order of the court discharging such conservator and  
3170 returning such association to the directors thereof shall be  
3171 sufficient evidence thereof.

3172 (2) Any conservator appointed shall have all the rights,  
3173 powers and privileges possessed by the officers, board of  
3174 directors and members of the association and shall have the power,

3175 with the approval of the court, to limit or condition withdrawals  
3176 from the association and to effectuate a system for payment of  
3177 withdrawals.

3178 (3) The directors and officers shall remain in office and  
3179 the employees shall remain in their respective positions, but the  
3180 conservator may remove any director, officer or employee, provided  
3181 the order of removal of a director or officer shall be approved in  
3182 writing by the commissioner.

3183 (4) While the association is in the charge of a conservator,  
3184 members or borrowers of such association shall continue to make  
3185 payments to the association in accordance with the terms and  
3186 conditions of their contracts, and the conservator, in his  
3187 discretion, may permit savings account members or savings account  
3188 holders to withdraw their accounts from the association pursuant  
3189 to the provisions of this chapter. The conservator shall have  
3190 power to accept savings accounts and additions to savings  
3191 accounts, but any such amounts received by the conservator may be  
3192 segregated if the commissioner shall so order in writing; if so  
3193 ordered, such amounts shall not be subject to offset and shall not  
3194 be used to liquidate any indebtedness of such association existing  
3195 at the time the conservator was appointed for it or any subsequent  
3196 indebtedness incurred for the purposes of liquidating the  
3197 indebtedness of any such association existing at the time such  
3198 conservator was appointed. All expenses of the association during  
3199 such conservatorship shall be paid by the association.

3200 SECTION 94. Section 81-12-183, Mississippi Code of 1972, is  
3201 reenacted as follows:

3202 81-12-183. (1) If the commissioner shall find that: (a)  
3203 the capital of an association is impaired, or (b) the association  
3204 is concealing any assets, books or records, or (c) the members of  
3205 such association are in actual danger of loss due to  
3206 mismanagement, misappropriation of funds, fraud, violation of this  
3207 chapter, or violation of any lawful rule of the commissioner, or

3208 (d) any association is in violation of an order or injunction, as  
3209 provided in Section 81-12-181 or Section 81-12-183, which has  
3210 become final in that the time to appeal has expired without appeal  
3211 or a final order entered from which there can be no appeal, the  
3212 commissioner may apply immediately to the chancery court in the  
3213 county in which the home office of the association is located for  
3214 appointment of a receiver for such association, and such court  
3215 shall have exclusive jurisdiction to determine the issues and all  
3216 related matters. The commissioner shall suggest a person for such  
3217 appointment who may be the commissioner. Such proceedings shall  
3218 be given precedence over other cases pending in such court, and  
3219 shall in every way be expedited. Such court shall make such  
3220 appointment if it shall find that one or more such grounds exist,  
3221 and a certified copy of the order of the court confirming such  
3222 appointment shall be evidence thereof. Such receiver shall have  
3223 all the powers and authority of a conservator plus the power to  
3224 liquidate, and shall have such other powers and authority as may  
3225 be expressed in the order of the court. If the commissioner or  
3226 examiner is appointed receiver, he shall receive no additional  
3227 compensation, but if another person is appointed, then the  
3228 compensation of the receiver, as determined by the court, shall be  
3229 paid from the assets of the association.

3230 (2) The Federal Deposit Insurance Corporation shall be  
3231 tendered appointment as receiver. If it accepts such appointment,  
3232 it may, nevertheless, make loans on the security of or purchase at  
3233 public or private sale any part or all of the assets of the  
3234 association of which it is receiver, provided such loan or  
3235 purchase is approved by such court.

3236 (3) The procedure in such receivership action shall be in  
3237 all other respects in accordance with the practice of such court,  
3238 including all rights of appeal and review. The directors,  
3239 officers and attorneys of an association in office at the time of  
3240 the initiation of any proceeding under this or the preceding

3241 section are expressly authorized to contest any such proceeding  
3242 and shall in the discretion of the court be reimbursed for  
3243 reasonable expenses and attorney's fees by the association or from  
3244 its assets. Any court having any such proceeding before it shall  
3245 in its discretion allow and order paid reasonable expenses and  
3246 attorney's fees for such directors, officers and attorneys. The  
3247 charter of any association which is liquidated by a receiver shall  
3248 be surrendered to the commissioner on the completion of such  
3249 liquidation and cancelled by him.

3250 SECTION 95. Section 81-12-184, Mississippi Code of 1972, is  
3251 reenacted as follows:

3252 81-12-184. If it appears to the commissioner that it is in  
3253 the best interest of the depositors of an association, the general  
3254 public, and the savings association industry within this state,  
3255 the commissioner is hereby granted the authority to allow a  
3256 supervisory merger of an association into another association in  
3257 lieu of appointing a conservator or a receiver under the  
3258 provisions of Section 81-12-181 or 81-12-183, provided the board  
3259 of directors of each association has adopted a voluntary consent  
3260 resolution authorizing a supervisory merger. The commissioner  
3261 shall coordinate the supervisory merger with the appropriate  
3262 federal regulatory authority.

3263 SECTION 96. Section 81-12-185, Mississippi Code of 1972, is  
3264 reenacted as follows:

3265 81-12-185. No appointment of a conservator shall be  
3266 confirmed, and no receiver shall be appointed or private property  
3267 seized, with respect to an association which is not in an impaired  
3268 condition, unless the court finds that the alleged wrongdoing  
3269 cannot be reasonably corrected as provided in this chapter or  
3270 otherwise as provided by law without appointment of a conservator  
3271 or receiver.

3272 SECTION 97. Section 81-12-187, Mississippi Code of 1972, is  
3273 reenacted as follows:

3274           81-12-187. (1) For the purposes of this section, the term  
3275 "foreign association" shall include any person, firm, company,  
3276 association, fiduciary, partnership or corporation, by whatever  
3277 name called, actually engaged in the business of an association,  
3278 which is not organized under the provisions of this chapter or the  
3279 laws of the United States as now or hereafter amended, the  
3280 principal business office of which is located outside the  
3281 territorial limits of this state.

3282           (2) No foreign association shall do any business of an  
3283 association within this state or maintain an office in this state  
3284 for the purpose of doing such business unless an application is  
3285 made and approval granted as provided herein for the charter of  
3286 domestic associations. No foreign association shall be granted  
3287 permission to do business in this state, except upon the same  
3288 terms, provisions, requirements and conditions as the laws of the  
3289 state in which the foreign association is incorporated require of  
3290 a Mississippi association desiring to do business under the laws  
3291 of the state in which such foreign corporation is organized and  
3292 created.

3293           (3) The commissioner shall conduct a complete investigation  
3294 of the applicant at its expense.

3295           (4) The commissioner shall examine and supervise all foreign  
3296 associations doing any such business in this state in the same  
3297 manner as he examines and supervises associations of this state,  
3298 and they shall pay the supervision and examination fee imposed by  
3299 Section 81-12-193, plus any additional costs as determined by the  
3300 commissioner. The commissioner in his discretion may rely upon  
3301 such official examinations, public and private audits, and copies  
3302 of reports which are supplied to him.

3303           (5) The commissioner hereby is authorized, empowered and  
3304 directed to obtain an injunction or to take any other action  
3305 necessary to prevent any foreign association from doing any  
3306 business of an association in this state without approval.

3307 SECTION 98. Section 81-12-189, Mississippi Code of 1972, is  
3308 reenacted as follows:

3309 81-12-189. (1) For the purposes of Section 81-12-187 and  
3310 this section and any other law of this state prohibiting,  
3311 limiting, regulating, charging or taxing the doing of business in  
3312 this state by foreign associations or foreign corporations of any  
3313 type, any federal association the principal office of which is  
3314 located outside this state, and any foreign association which is  
3315 located outside this state, and any foreign association which is  
3316 subject to state or federal supervision, or both, which by law is  
3317 subject to periodic examination by such supervisory authority and  
3318 to a requirement of periodic audit, shall not be considered to be  
3319 doing business in this state, nor shall any of its intangible  
3320 properties be deemed to have a business, commercial or actual  
3321 situs in this state by reason of engaging in any of the following  
3322 activities:

3323 (a) The purchase, acquisition, holding, sale,  
3324 assignment, transfer, collecting and enforcement of obligations or  
3325 any interest therein secured by real estate mortgages or other  
3326 instruments in the nature of a mortgage, covering real property  
3327 located in this state, or the foreclosure of such instruments, or  
3328 the acquisition of title to such property by foreclosure, or  
3329 otherwise, as a result of default under such instruments, or the  
3330 holding, protection, rental, maintenance and operation of said  
3331 property so acquired, or the disposition thereof.

3332 (b) The advertising or solicitation of savings  
3333 accounts, or the making of any representations with respect  
3334 thereto in this state through the media of the mail, radio,  
3335 television, magazines, newspapers or any other media which are  
3336 published or circulated within this state, provided that such  
3337 advertising, soliciting or the making of such representations  
3338 shall be accurately descriptive of the fact and shall conform to  
3339 the limitations set forth in this chapter regarding associations.

3340           (c) The purchase of a participating interest in loans  
3341 of associations, subject to such regulations as the commissioner  
3342 may adopt.

3343           (2) Any foreign association or federal association described  
3344 in subsection (1) which engages in any of the activities described  
3345 in paragraph (a) thereof pursuant to the provisions of this  
3346 section shall in any connection therewith be subject to suit in  
3347 the courts of this state by this state and the citizens of this  
3348 state, and service on such association shall be effected by  
3349 serving the Secretary of State of this state, provided that the  
3350 provisions of this section shall have no other application to the  
3351 question of whether any foreign association or federal association  
3352 is subject to service of process and suit in this state as a  
3353 result of the transaction of business or other activities in this  
3354 state.

3355           SECTION 99. Section 81-12-191, Mississippi Code of 1972, is  
3356 reenacted as follows:

3357           81-12-191. Federal savings associations or federal savings  
3358 and loan associations, domiciled in the State of Mississippi,  
3359 incorporated pursuant to the laws of the United States, as now or  
3360 hereafter amended, are not foreign corporations or foreign  
3361 associations. Unless otherwise restricted by laws of the United  
3362 States, the depositors, members and stockholders of federal  
3363 associations shall possess all of the rights, privileges and  
3364 benefits, duties and obligations that are now or may hereafter be  
3365 provided by the laws of this state for depositors, members and  
3366 stockholders of associations organized under the laws of this  
3367 state; unless otherwise restricted by the laws of the United  
3368 States, federal associations shall possess all of the benefits,  
3369 immunities, exemptions, duties and obligations that are now or may  
3370 hereafter be provided by the laws of this state for associations  
3371 organized under the laws of this state. This provision is  
3372 additional and supplemental to any provision which, by specific

3373 reference, is applicable to federal associations and the members  
3374 thereof.

3375 SECTION 100. Section 81-12-193, Mississippi Code of 1972, is  
3376 reenacted as follows:

3377 81-12-193. The department shall charge and collect for:

3378 (a) Filing articles of incorporation and issuing a  
3379 certificate of incorporation, a minimum fee of Five Hundred  
3380 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred  
3381 Dollars (\$2,500.00) as fixed by the commissioner.

3382 (b) For filing annual reports, the commissioner shall  
3383 assess every association organized under the laws of this state  
3384 engaging in the business of an association, and every foreign  
3385 association qualified to do business in this state under the  
3386 provisions of Section 81-12-187, in accordance with the following  
3387 schedule, setting forth the maximum that may be assessed:

3388 (i) Seventy-five Dollars (\$75.00).

3389 (ii) Every such association whose total assets  
3390 exceed One Hundred Thousand Dollars (\$100,000.00) shall further  
3391 pay in addition to the minimum assessment of Seventy-five Dollars  
3392 (\$75.00), Fifty Cents (50¢) for each One Thousand Dollars  
3393 (\$1,000.00) or fraction thereof of assets in excess of One Hundred  
3394 Thousand Dollars (\$100,000.00). All money accruing from such  
3395 assessment shall be used for the maintenance of the department.

3396 (iii) The commissioner shall, during the month of  
3397 January in each year, or as soon thereafter as practicable,  
3398 prepare and send to each association a statement of the  
3399 assessments due under this section, based upon the total assets of  
3400 each association as of December 31 of the preceding year. The  
3401 assessment shall be payable in accordance with the statement so  
3402 furnished and shall be paid within ten (10) days after the date  
3403 fixed for their payment. Such assessment shall constitute a lien  
3404 on the assets of each association until paid. Any association  
3405 failing to make payment of an installment within ten (10) days as

3406 provided in this section shall be liable for a penalty of ten  
3407 percent (10%) of the amount in default for each day thereafter.  
3408 All assessments and penalties provided in this section shall be  
3409 payable as set forth in this section, and when collected by the  
3410 commissioner shall be delivered to the State Treasurer to be  
3411 placed to the credit of the account of the department.

3412 (iv) If it appears to the commissioner that the  
3413 fees assessed under this section shall produce more than the  
3414 requirements of the estimated operating budget approved for the  
3415 department for the ensuing assessment period, the commissioner  
3416 shall authorize a uniform percentage reduction to be applied to  
3417 the fees to be paid by the individual associations.

3418 (v) Associations organized and in existence as of  
3419 June 30, 1994, shall not be billed or liable for the annual report  
3420 assessment due for the close of this period only. The next annual  
3421 report assessment shall be due based upon assets as of December  
3422 31, 1994, and annually thereafter.

3423 (c) Filing articles of merger when the resulting  
3424 association is a state association, a minimum fee of Five Hundred  
3425 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred  
3426 Dollars (\$2,500.00), as fixed by the commissioner.

3427 (d) Filing an application for conversion from a  
3428 national association to a state association, a minimum fee of Five  
3429 Hundred Dollars (\$500.00) up to a maximum fee of Two Thousand Five  
3430 Hundred Dollars (\$2,500.00) as fixed by the commissioner.

3431 (e) Filing an application for a branch bank, branch  
3432 office, or drive-in teller window, a minimum fee of Two Hundred  
3433 Fifty Dollars (\$250.00) up to a maximum fee of One Thousand Five  
3434 Hundred Dollars (\$1,500.00), as fixed by the commissioner.

3435 The commissioner shall publish a schedule of fees applicable  
3436 to all associations within his jurisdiction.

3437 SECTION 101. Section 81-12-195, Mississippi Code of 1972, is  
3438 reenacted as follows:

3439           81-12-195. The offering and sale of savings accounts of any  
3440 association subject to the provisions of this chapter are hereby  
3441 exempted from all provisions of law of this state which provide  
3442 for the supervision and regulation of the sale of securities, and  
3443 the sale of any such accounts shall be legal without any action or  
3444 approval whatsoever on the part of any official authorized to  
3445 license, regulate and supervise the sale of securities.

3446           SECTION 102. Section 81-12-197, Mississippi Code of 1972, is  
3447 reenacted as follows:

3448           81-12-197. No public officer qualified to take  
3449 acknowledgments or proofs of written instruments shall be  
3450 disqualified from taking the acknowledgment or proof of any  
3451 instrument in writing in which an association is interested by  
3452 reason of his membership in or employment by an association so  
3453 interested, and any such acknowledgments or proofs heretofore  
3454 taken are hereby validated.

3455           SECTION 103. Section 81-12-199, Mississippi Code of 1972, is  
3456 reenacted as follows:

3457           81-12-199. Whoever willfully and knowingly makes, issues,  
3458 circulates, transmits or causes to be made any statement, written,  
3459 printed, reproduced in any manner, or by word of mouth, which is  
3460 untrue in fact and is directly false and malicious in that it is  
3461 calculated to injure the reputation or business of any  
3462 association, federal association, federal home loan bank, the  
3463 appropriate federal regulatory authority, or the Federal Deposit  
3464 Insurance Corporation, shall upon conviction be fined not more  
3465 than One Thousand Dollars (\$1,000.00) or imprisoned for not more  
3466 than one (1) year, or both.

3467           SECTION 104. Section 81-12-201, Mississippi Code of 1972, is  
3468 reenacted as follows:

3469           81-12-201. From and after July 1, 1977, no person, whether  
3470 or not incorporated, other than a bank or credit union organized  
3471 under the laws of this state or of the United States, or an

3472 association organized under the laws of this state or of the  
3473 United States, shall advertise by newspaper, radio, television, or  
3474 other commercial media for deposits of money from the public. The  
3475 commissioner shall have authority to enforce this prohibition by  
3476 injunctive relief in the chancery court in which any such person  
3477 may be a resident or domiciled.

3478 SECTION 105. Section 81-12-203, Mississippi Code of 1972, is  
3479 reenacted as follows:

3480 81-12-203. (1) The name, rights, powers, privileges and  
3481 immunities of every savings association heretofore incorporated in  
3482 this state shall be governed by the provisions of this chapter to  
3483 the same extent and effect as if such association had been  
3484 incorporated pursuant hereto. Every such association shall  
3485 possess the rights, powers, privileges and immunities and shall be  
3486 subject to the duties, liabilities, disabilities and restrictions  
3487 conferred and imposed by this chapter, notwithstanding anything to  
3488 the contrary in its certificates of incorporation, bylaws,  
3489 constitution or rules.

3490 (2) All obligations to any such association heretofore  
3491 contracted shall be enforceable by it and in its name, and  
3492 demands, claims and rights of action against any such association  
3493 may be enforced against it as fully and completely as they could  
3494 have been enforced heretofore.

3495 SECTION 106. Section 81-12-205, Mississippi Code of 1972, is  
3496 reenacted as follows:

3497 81-12-205. Any interested person aggrieved by any final  
3498 rule, regulation or order of the commissioner or the board, shall  
3499 have the right, regardless of the amount involved to appeal to the  
3500 Circuit Court of the First Judicial District of Hinds County,  
3501 except that if the appellant is an applicant for a charter the  
3502 appeal shall be taken to the circuit court of the county in which  
3503 the institution sought to be chartered would be domiciled, and if  
3504 the appellant is seeking to establish a branch office, the appeal

3505 shall be taken to the circuit court of the county in which the  
3506 branch is proposed to be located. Such appeal shall be taken and  
3507 perfected as hereinafter provided, within thirty (30) days from  
3508 the date of such final rule, regulation or order; and the circuit  
3509 court may affirm such rule, regulation or order, or reverse same  
3510 for further proceedings as justice may require. All such appeals  
3511 shall be taken and perfected, heard and determined either in  
3512 termtime or in vacation on the record, including a transcript of  
3513 pleadings and testimony, both oral and documentary, filed and  
3514 heard before the commissioner or the board, and such appeal shall  
3515 be heard and disposed of promptly by the court as a preference  
3516 cause. In perfecting any appeal provided by this section, the  
3517 provisions of law respecting notice to the reporter and the  
3518 allowance of bills of exception, now or hereafter in force  
3519 respecting appeals from the circuit court to Supreme Court shall  
3520 be applicable. However, the reporter shall transcribe his notes  
3521 and file the transcript of the record with the commissioner or the  
3522 board within thirty (30) days after approval of the appeal bond.  
3523 Upon the filing with the commissioner or the board of a petition  
3524 for appeal to the circuit court, it shall be the duty of the  
3525 commissioner or the board, as promptly as possible, and in any  
3526 event within sixty (60) days after approval of the appeal bond, to  
3527 file with the clerk of the circuit court to which the appeal is  
3528 taken, a copy of the petition for appeal and of the rule,  
3529 regulation or order appealed from, and the original and one (1)  
3530 copy of the transcript of the record of proceedings in evidence  
3531 before the commissioner or the board. After the filing of the  
3532 petition, the appeal shall be perfected by the filing of bond in  
3533 the sum of Five Hundred Dollars (\$500.00) with two (2) good and  
3534 sufficient sureties or with a surety company qualified to do  
3535 business in Mississippi as the surety, conditioned to pay the cost  
3536 of such appeal; the bond to be approved by the commissioner or by  
3537 the clerk of the court to which such appeal is taken. The

3538 perfection of an appeal shall not stay or suspend the operation of  
3539 any rule, regulation or order of the commissioner or the board,  
3540 but the judge of the circuit court to which the appeal is taken  
3541 may award a writ of supersedeas to any rule, regulation or order  
3542 of the commissioner or the board after five (5) days' notice to  
3543 the commissioner or the board and after hearing. Any order or  
3544 judgment staying the operation of any rule, regulation or order of  
3545 the commissioner or the board shall contain a specific finding,  
3546 based upon evidence submitted to the circuit judge and identified  
3547 by reference thereto, that great or irreparable damage would  
3548 result to the appellant if he is denied relief, and the stay shall  
3549 not become effective until a supersedeas bond shall have been  
3550 executed and filed with and approved by the clerk of the court  
3551 payable to the state. The bond shall be in an amount fixed by the  
3552 circuit judge and conditioned as the circuit judge may direct in  
3553 the order granting the supersedeas.

3554 SECTION 107. Section 81-12-207, Mississippi Code of 1972, is  
3555 reenacted as follows:

3556 81-12-207. Where no other criminal penalty is specifically  
3557 provided in this chapter, if any association or its agents,  
3558 attorneys or solicitors, officers or directors, or any other  
3559 person shall solicit or negotiate any deposit of money or in  
3560 anywise transact any business regulated hereunder in this state  
3561 without having first fully complied in good faith with the  
3562 provisions of this chapter, such association and any such person,  
3563 upon conviction, shall be punished by a fine of not more than Five  
3564 Thousand Dollars (\$5,000.00) or imprisonment for not more than  
3565 five (5) years, or both.

3566 SECTION 108. Section 81-12-209, Mississippi Code of 1972,  
3567 which is a repealer on the statutes providing for the regulation  
3568 of savings associations, is repealed.

3569 SECTION 109. This act shall take effect and be in force from  
3570 and after July 1, 2001.