

By: Representative Ford

To: Banks and Banking

HOUSE BILL NO. 463
(As Sent to Governor)

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 AMEND REENACTED SECTION 81-12-143,
4 MISSISSIPPI CODE OF 1972, TO INCREASE THE MAXIMUM AMOUNT THAT
5 SAVINGS AND LOAN ASSOCIATIONS MAY PAY TO THE SUCCESSORS OF
6 DECEASED DEPOSITORS WITHOUT NECESSITY OF ADMINISTRATION; TO REPEAL
7 SECTION 81-12-209, MISSISSIPPI CODE OF 1972, WHICH IS A REPEALER
8 ON THE STATUTES PROVIDING FOR THE REGULATION OF SAVINGS
9 ASSOCIATIONS; AND FOR RELATED PURPOSES.

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

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

13 81-12-1. This chapter shall be cited as the "Savings
14 Association Law."

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

17 81-12-3. When used in this chapter, the following words and
18 phrases shall have the following meanings, except to the extent
19 that any such word or phrase specifically is qualified by its
20 context:

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

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

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

27 (d) "Commissioner" means the Commissioner of Banking
28 and Consumer Finance.

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

37 (f) "Department" means the Department of Banking and
38 Consumer Finance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

123 (u) "Savings institution" means either an association
124 or a savings bank.

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

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

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

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

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

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

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

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

161 81-12-6. The Department of Savings Institutions and the
162 Savings Institution Board are abolished, and all of the powers,
163 duties, property, contractual rights and obligations and
164 unexpended funds of that department and board shall be transferred
165 to the Department of Banking and Consumer Finance, Commissioner of
166 Banking and Consumer Finance and State Board of Banking Review as
167 provided in this chapter.

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

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

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

193 81-12-9. The determination by the commissioner upon any
194 matter decided by him shall be final, subject to review by the
195 courts as provided herein.

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

198 81-12-11. The department is charged with the execution of
199 all laws relating to institutions carrying on a savings and loan
200 business in this state.

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

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

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

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

226 81-12-21. (1) Within sixty (60) days after July 1, 1977,
227 the funds, books, records, documents, equipment, and supplies of
228 every such office and officer created or appointed by Chapter 11,
229 Title 81, Mississippi Code of 1972, shall be transferred, pursuant
230 to orders of the Governor, to the office of the commissioner.

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

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

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

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

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

257 81-12-24. (1) If, in the commissioner's opinion, after an
258 examination, audit, or investigation, it is determined that any

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

292 order of the commissioner may be appealed as provided in Section
293 81-12-205.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

617 81-12-41. (1) The name of every association may include
618 either the words "savings association," or "savings and loan
619 association." If used, these words shall be preceded by an
620 appropriate descriptive word or words approved by the

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

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

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

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

682 81-12-43. (1) Without the prior approval of the
683 commissioner or the board, as provided in this chapter, no
684 association shall change its name or establish any office other
685 than its home office, which shall be in the location named in the

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

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

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

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

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

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

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

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

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

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

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

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

772 81-12-47. (1) Each association which obtained its charter
773 of incorporation prior to July 1, 1977, and was organized and
774 engaged in business on July 1, 1977, must submit evidence
775 satisfactory to the commissioner that it has:

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

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

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

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

790 (d) Entered into voluntary or involuntary liquidation.

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

800 (3) No association that obtained its charter prior to July
801 1, 1977, but which was not organized and engaged in business on
802 July 1, 1977, shall accept deposits unless and until it first
803 complies with subsection (2) of this section, and any additional
804 requirements imposed as to charters granted after July 1, 1977.

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

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

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

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

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

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

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

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

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

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

879 (e) An association may borrow up to twenty-five percent
880 (25%) of its savings liability and net worth for lending purposes;
881 an association may borrow an additional twenty-five percent (25%)
882 of its savings liability and net worth for the purpose of making
883 loans guaranteed by the Federal Housing Administration, a private

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

970 81-12-51. A capital stock savings and loan association
971 (hereinafter referred to as a "capital stock association") shall
972 have the powers enumerated in the preceding section, and shall
973 have the following additional powers:

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

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

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

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

1001 (iii) Except for stock issued pursuant to a plan
1002 of merger, consolidation or conversion from a mutual to a stock
1003 association or other type of reorganization which has been
1004 approved as provided herein, the consideration for the issuance of
1005 voting capital stock, the par value of which shall be maintained
1006 as the permanent capital of the association, except as otherwise
1007 provided in subparagraph (a)(iv) of this section, shall be paid in
1008 cash, and any excess shall be credited to paid-in surplus which
1009 shall not be available for dividends or other distribution to
1010 stockholders, except upon liquidation.

1011 (iv) Except as provided herein, the total of the
1012 par values of all outstanding shares of voting capital stock shall
1013 be the permanent capital of the association and shall not be
1014 retired until final liquidation of the association.

1015 Notwithstanding the foregoing limitation, a capital stock
1016 association may reduce its permanent capital through a reduction
1017 of its outstanding voting capital stock pursuant to a plan adopted
1018 by its board of directors, and approved by an affirmative vote of
1019 a majority of the shares eligible to vote, and by an affirmative
1020 vote of two-thirds (2/3) of those shares present and voting, in
1021 person or by proxy, at an annual or special meeting of the
1022 stockholders of the association. In the event approval of any
1023 such plan for the reduction of stock as herein provided shall
1024 result in fractional shares, the association may acquire such
1025 fractional shares of its own stock by tender of payment of the
1026 price per share prior to such reduction as stipulated in the plan.
1027 Such tender may be made by bank check drawn upon association funds
1028 payable to the record holders of such fractional shares and mailed
1029 United States postage prepaid to such holders at the last address
1030 of record with the association. Pursuant to such plan, a capital
1031 stock association may purchase or redeem whole shares of its own
1032 stock at the price per share stipulated in the plan upon written
1033 assent of the holders thereof prior to such reduction. No plan
1034 for the reduction of the permanent capital or outstanding voting
1035 capital stock of an association shall be effective without first
1036 obtaining the written consent of the commissioner.

1037 (v) Unless otherwise provided by the articles of
1038 incorporation, every stockholder, upon the sale for cash of any
1039 new stock of the same kind, class or series as that which he
1040 already holds, shall have the right to purchase his pro rata share
1041 thereof, as nearly as may be done without issuance of fractional
1042 shares, at the price at which it is offered to others, which price
1043 must be in excess of par.

1044 (vi) An association shall not make a loan secured
1045 by the pledge of its capital stock.

1046 (vii) A capital stock association may sell any
1047 authorized but unissued shares of capital stock for cash at a

1048 price which must be in excess of par. No incentive stock shall be
1049 issued. Subject to the requirements of Section 81-12-51(a)(v), an
1050 association may employ an agent to sell those shares of authorized
1051 capital stock not necessary to meet the minimum capital and
1052 paid-in surplus requirements of Section 81-12-37, provided that
1053 the proposed agreement with the agent for the sale of such stock
1054 is approved by the commissioner before the association enters into
1055 such agreement.

1056 (b) No capital stock savings and loan association shall
1057 declare or pay any dividend upon its common stock unless such
1058 association has received written approval by the Commissioner of
1059 Banking and Consumer Finance. Directors declaring a dividend in
1060 violation of the provisions of this section shall be personally
1061 liable to the full amount of the dividend so declared and it shall
1062 be the duty of the commissioner, upon discovering the payment of
1063 any such dividend, to forthwith make demand upon the directors
1064 that the same be restored to the association, and upon their
1065 failure so to do he shall cause suit to be brought against them in
1066 the chancery court of the county in which the association is
1067 located, either in his name or in the name of the association, to
1068 recover the same for the benefit of the association.

1069 SECTION 26. Section 81-12-53, Mississippi Code of 1972, is
1070 reenacted as follows:

1071 81-12-53. At an annual meeting or at any special meeting of
1072 the members called to consider such action, any mutual association
1073 as defined in this chapter may convert itself into a federal
1074 mutual savings association or federal mutual savings and loan
1075 association, hereinafter in this subsection called "federal
1076 association," in accordance with the provisions of the laws of the
1077 United States, as now or hereafter amended, upon an affirmative
1078 vote of fifty-one percent (51%) or more of the total number of
1079 votes of the members eligible to be cast. A copy of the minutes
1080 of the proceedings of such meeting of the members, verified by the

1081 affidavit of the secretary or an assistant secretary, shall be
1082 filed in the office of the commissioner within ten (10) days after
1083 the date of such meeting. A sworn copy of the proceedings of such
1084 meeting, when so filed, shall be presumptive evidence of the
1085 holding and action of such meeting. Any member challenging the
1086 accuracy of such minutes by sworn objection may appeal to the
1087 commissioner. Within three (3) months after the date of such
1088 meeting, the association shall take such action in the manner
1089 prescribed and authorized by the laws of the United States as
1090 shall make it a federal association. There shall be filed with
1091 the commissioner a copy of the charter issued to such federal
1092 association by the appropriate federal regulatory authority or a
1093 certificate showing the organization of such association as a
1094 federal association, certified by the secretary or assistant
1095 secretary of the appropriate federal regulatory authority. A
1096 similar copy of the charter, or of such certificate, shall be
1097 filed by the association with the Secretary of State. No failure
1098 to file any such instruments with either the commissioner or the
1099 Secretary of State shall affect the validity of such conversion.
1100 Upon the grant to any association of a charter by the appropriate
1101 federal regulatory authority, the association receiving such
1102 charter shall cease to be an association incorporated under this
1103 chapter and shall no longer be subject to the supervision and
1104 control of the commissioner. Upon the conversion of any
1105 association into a federal association, the corporate existence of
1106 such association shall not terminate, but such federal association
1107 shall be deemed to be a continuation of the entity of the
1108 association so converted and all property of the converted
1109 association, including its rights, titles and interests in and to
1110 all property of whatever kind, whether real, personal or mixed,
1111 and things in action, and every right, privilege, interest and
1112 asset then existing, or pertaining to it, or which may inure to
1113 it, shall immediately by operation of law and without any

1114 conveyance or transfer and without any further act or deed remain
1115 and be vested in and continue and be the property of such federal
1116 association into which the association has converted itself, and
1117 such federal association shall have, hold and enjoy the same in
1118 its own right as fully and to the same extent as the same was
1119 possessed, held and enjoyed by the converting association, and
1120 such federal association, as of the time of the taking effect of
1121 such conversion, shall continue to have and succeed to all the
1122 rights, obligations and relations of the converting association.
1123 All pending actions and other judicial proceedings to which the
1124 converting association is a party shall not be deemed to have
1125 abated or to have discontinued by reason of such conversion, but
1126 may be prosecuted to final judgment, order or decree in the same
1127 manner as if such conversion into such federal association had not
1128 been made and such federal association resulting from such
1129 conversion may continue such action in its corporate name as a
1130 federal association, and any judgment, order or decree may be
1131 rendered for or against it which might have been rendered for or
1132 against the converting association theretofore involved in such
1133 judicial proceedings. Any association or corporation which has
1134 heretofore converted itself into a federal association under the
1135 provisions of the laws of the United States and has received a
1136 charter from the appropriate federal regulatory authority shall
1137 hereafter be recognized as a federal association, and its federal
1138 charter shall be given full recognition by the courts of this
1139 state to the same extent as if such conversion had taken place
1140 under the provisions of this section; however, there shall have
1141 been compliance with the foregoing requirements with respect to
1142 the filing with the commissioner of a copy of the federal charter
1143 or a certificate showing the organization of such association as a
1144 federal association.

1145 SECTION 27. Section 81-12-55, Mississippi Code of 1972, is
1146 reenacted as follows:

1147 81-12-55. At an annual meeting or at any special meeting of
1148 the members or stockholders called to consider such action, any
1149 federal mutual or capital stock savings association or federal
1150 mutual or capital stock savings and loan association, hereinafter
1151 in this subsection called "federal association," may apply for
1152 conversion into a state-chartered association under this chapter
1153 upon an affirmative vote of fifty-one percent (51%) or more of the
1154 total number of votes of the members eligible to be cast or an
1155 affirmative vote of sixty-six and two-thirds percent (66-2/3%) or
1156 more of all the issued and outstanding stock of such federal
1157 association. Upon such affirmative vote, the federal association
1158 may apply for a certificate of authority by filing with the
1159 commissioner a certificate signed by its president or secretary
1160 which sets forth the corporate action herein prescribed and
1161 asserts that the institution has complied with the provisions of
1162 the laws of the United States. The federal association shall also
1163 file with the commissioner the plan of conversion and the proposed
1164 amendments to its articles of association as approved by the
1165 members or stockholders for the operation of the association as a
1166 state-chartered association. Upon receipt of such application,
1167 the commissioner shall examine all facts associated with the
1168 conversion. The expenses and costs incurred for such special
1169 examination shall be paid by the institution applying for
1170 permission to convert. The commissioner shall present his
1171 findings and recommendations to the State Board of Banking Review
1172 for consideration. Upon approval by the State Board of Banking
1173 Review, the commissioner shall issue a certificate of authority to
1174 the applicant allowing the conversion to proceed.

1175 SECTION 28. Section 81-12-57, Mississippi Code of 1972, is
1176 reenacted as follows:

1177 81-12-57. If the board of directors determines, and the
1178 commissioner concurs, that substantial business benefit to the
1179 association will or may result, and if federal law, regulations or

1180 administrative rulings authorize federal associations to convert
1181 to capital stock associations, the voting members of a mutual
1182 association organized pursuant to this chapter, or otherwise
1183 subject to the provisions of this chapter or a federal mutual
1184 savings or savings and loan association (hereinafter in this
1185 subsection referred to as a "federal association") located in this
1186 state may vote to convert the association into a total or partial
1187 capital stock association by adopting a plan of conversion which
1188 is approved by the commissioner.

1189 (a) The plan of conversion must be approved at a
1190 meeting of voting members called to consider such action by an
1191 affirmative vote of fifty-one percent (51%) or more of the total
1192 number of votes eligible to be cast. The commissioner may approve
1193 or disapprove the plan of conversion in his discretion, but he
1194 shall not approve the plan unless he finds that the plan is fair
1195 and equitable to members of the association and that the interests
1196 of the savings account holders and the public are adequately
1197 protected. Notice of the meeting, giving the time, place and
1198 purpose thereof, together with a proxy statement and proxy form
1199 approved by the commissioner, covering all matters to be brought
1200 before the meeting, shall be mailed at least thirty (30) days
1201 prior thereto to the commissioner and to each voting member at his
1202 last address as shown on the books of the association. The notice
1203 shall advise the savings account holders of their right to the
1204 public hearing provided in Section 81-12-59.

1205 (b) Copies of the minutes of the meeting of members,
1206 verified by the affidavit of the secretary or assistant secretary
1207 of the association, shall be filed in the office of the department
1208 and with the appropriate federal regulatory authority within a
1209 reasonable time after the meeting. When so filed, the verified
1210 copies of the minutes are presumptive evidence of the holding of
1211 the meeting and of the action taken. Any member or stockholder

1212 challenging the accuracy of such minutes by sworn objection may
1213 appeal to the commissioner.

1214 (c) The directors of the association shall execute and
1215 file with the supervisory authority proposed articles of
1216 incorporation as provided for in Section 81-12-25, together with
1217 an application for conversion and a firm commitment for, or
1218 evidence of, insurance of deposits and other accounts of a
1219 withdrawable type. The articles shall contain a statement that
1220 the corporation resulted from the conversion of a mutual or
1221 federal association to a capital stock association. If approved
1222 by the commissioner, he shall affix the same to the articles of
1223 incorporation. An authenticated copy of the articles of
1224 incorporation shall be filed with the Secretary of State and one
1225 (1) copy of the articles of incorporation and the certificate of
1226 incorporation shall be returned to the association. The
1227 association shall cease to be a mutual association at the time and
1228 on the date specified in the approved articles of incorporation.

1229 (d) All the provisions regarding property and other
1230 rights contained in Section 81-12-53 shall apply to the conversion
1231 of a mutual or federal association to a capital stock association,
1232 so that the capital stock association shall be a continuation of
1233 the corporate entity of the mutual or federal association and
1234 continue to have all of its property and rights.

1235 SECTION 29. Section 81-12-59, Mississippi Code of 1972, is
1236 reenacted as follows:

1237 81-12-59. With respect to a conversion arising under Section
1238 81-12-57 above, the commissioner may hold a hearing upon the plan
1239 of conversion. A hearing may be held by the commissioner on his
1240 own motion or upon application of the converting association or
1241 any member thereof and shall be held upon application by the
1242 holders of five percent (5%) or more in amount of the
1243 association's savings accounts. All persons to whom it is
1244 proposed to issue capital stock in connection with the conversion

1245 may appear at any hearing, and notice of the time and place of the
1246 hearing shall be given to all such persons in person or by mail at
1247 least thirty (30) days before the hearing by the association.
1248 Evidence satisfactory to the commissioner that the notice has been
1249 given shall be submitted to the commissioner at least ten (10)
1250 days prior to the hearing. Following the hearing, the
1251 commissioner may approve the terms of the plan of conversion, may
1252 reject the same or approve the same upon condition that portions
1253 thereof may be modified. All costs to the state resulting from
1254 conversions under this section shall be paid by the association
1255 making application for conversion.

1256 SECTION 30. Section 81-12-61, Mississippi Code of 1972, is
1257 reenacted as follows:

1258 81-12-61. (1) A capital stock association organized under
1259 this chapter may vote to convert itself into a federal mutual or
1260 capital stock savings or savings and loan association, hereinafter
1261 in this subsection referred to as a "federal association," at any
1262 legal meeting called to consider the action. The required
1263 affirmative vote to effect the conversion shall be not less than
1264 sixty-six and two-thirds percent (66-2/3%) of the issued and
1265 outstanding stock of such association. Notice of the meeting
1266 giving the time, place and purpose thereof, together with a proxy
1267 statement and proxy form covering all matters properly brought
1268 before the meeting shall be mailed at least thirty (30) days prior
1269 thereto to the commissioner and the appropriate federal regulatory
1270 authority and to each stockholder at his last address as shown on
1271 the books of the association. A copy of the minutes of the
1272 proceedings of the meeting, verified by the affidavit of the
1273 secretary or an assistant secretary of the association, shall be
1274 filed in the office of the commissioner within ten (10) days after
1275 the date of the meeting. When filed, a verified copy of the
1276 proceedings of the meeting is presumptive evidence of the holding
1277 of the meeting and of the action taken. Any stockholder

1278 challenging the accuracy of such minutes by sworn objection may
1279 appeal to the commissioner. Within three (3) months after the
1280 date of the meeting, the association shall take such further
1281 action, in the manner prescribed and authorized by the laws of the
1282 United States, as shall make it a federal association. Three (3)
1283 copies of the charter issued by the appropriate federal regulatory
1284 authority, or three (3) copies of a certificate showing the
1285 organization of the association as a federal association,
1286 certified by the secretary or an assistant secretary of the
1287 appropriate federal regulatory authority shall be filed with the
1288 commissioner. Upon the payment of the fees prescribed by law, the
1289 commissioner shall note the filing upon each of the copies and
1290 shall retain one (1) copy in his office, file one (1) copy with
1291 the Secretary of State, and return one (1) copy to the
1292 association. The failure to file the instruments with the
1293 commissioner shall not affect the validity of the conversion.
1294 Upon the grant to any association of a charter by the appropriate
1295 federal regulatory authority, the association shall cease to be an
1296 association incorporated under this chapter and shall no longer be
1297 subject to the supervision and control of the department. All
1298 provisions regarding property and other rights contained in
1299 Section 81-12-53 above apply to the conversion of a capital stock
1300 association into a federal association.

1301 (2) (a) The plan of conversion must provide:

1302 (i) That each savings account holder of the mutual
1303 association will receive a withdrawable account in the capital
1304 stock association equal in amount to his withdrawable account in
1305 the mutual association;

1306 (ii) That each savings account holder of record as
1307 provided in paragraph (iii) will be entitled to receive voting
1308 stock or rights to purchase voting stock in equal proportion to
1309 the amount his account bears to all savings accounts;

1310 (iii) That the record date fixed by the
1311 commissioner for determining savings account holders is to be
1312 used. During the month of January each year the commissioner
1313 shall publish a record date which shall be used in determining the
1314 respective interests of account holders. The date shall be not
1315 more than eighteen (18) months prior to its publication;

1316 (iv) That the business purpose to be accomplished
1317 by the conversion is set forth with particularity;

1318 (v) Such other information in such form as
1319 required by the commissioner to enable him to determine whether
1320 the plan is fair and equitable to members of the association and
1321 that the interest of the savings account holders and the public is
1322 adequately protected.

1323 (b) A plan of conversion will not be considered unfair
1324 or inequitable merely because it contains provisions which
1325 provide:

1326 (i) That shares of stock will be issued to savings
1327 account holders with or without cost;

1328 (ii) That shares of stock will be issued with cost
1329 to all savings account holders and that no stock will be issued
1330 without cost;

1331 (iii) That savings account holders will or will
1332 not have preemptive rights to all stock proposed to be issued;

1333 (iv) That those persons who were savings account
1334 holders during a particular number of years have preemptive rights
1335 to purchase voting stock at the fair market value thereof;

1336 (v) That employment contracts are provided for
1337 officers and employees of the association;

1338 (vi) That no more than ten percent (10%) of the
1339 voting stock proposed to be issued pursuant to the plan of
1340 conversion is reserved by the association for stock options for
1341 officers and employees.

1342 SECTION 31. Section 81-12-63, Mississippi Code of 1972, is
1343 reenacted as follows:

1344 81-12-63. No conversion of an association or a federal
1345 association, direct or indirect, shall be permitted, except as
1346 specifically authorized by this chapter, Section 81-14-101 or
1347 Section 81-5-85.

1348 SECTION 32. Section 81-12-65, Mississippi Code of 1972, is
1349 reenacted as follows:

1350 81-12-65. Pursuant to a plan adopted by the board of
1351 directors and approved by the commissioner as equitable to the
1352 members of the association and as not impairing the usefulness and
1353 success of other properly conducted associations in the community
1354 and serving the needs of the community, an association shall have
1355 power to reorganize or to merge or consolidate with another
1356 association or federal association within its primary lending
1357 area, provided that the plan of such reorganization, merger or
1358 consolidation shall be approved at an annual meeting or at any
1359 special meeting of the members or stockholders called to consider
1360 such action by an affirmative vote of fifty-one percent (51%) or
1361 more of the total number of votes of the members or an affirmative
1362 vote of sixty-six and two-thirds percent (66-2/3%) of those shares
1363 of stock of such association voted, in person or by proxy. Any
1364 such plan must set forth (a) the names of the associations
1365 proposing to merge or consolidate and the name of the association
1366 into which they propose to merge or consolidate, which is herein
1367 designated as "the surviving association"; (b) the terms and
1368 conditions of the proposed merger or consolidation and the mode of
1369 carrying it into effect; (c) the manner and basis of converting
1370 the savings accounts of each merging or consolidating association
1371 into savings accounts of the surviving association; (d) the manner
1372 and basis of the cancellation and issuance of the capital stock of
1373 the merging and surviving associations; (e) a statement of any
1374 changes in the articles of incorporation of the surviving

1375 association to be effected by the merger or consolidation; (f) a
1376 statement of the contracts pertaining to the employment, or the
1377 retention as consultant, of officers and directors of the merged
1378 or consolidated association; and (g) such other provisions with
1379 respect to the proposed merger or consolidation as are deemed
1380 necessary or desirable by the boards of directors or the
1381 commissioner. In all cases the corporate continuity of the
1382 resulting corporation shall possess the same incidents as that of
1383 an association which has converted in accordance with this
1384 chapter. No association, directly or indirectly, shall
1385 reorganize, merge, consolidate, or acquire substantially all of
1386 the assets of or assume substantially all of the liabilities of
1387 any financial institution or any other organization, person or
1388 entity, except as specifically authorized by this chapter. The
1389 charter of any association which does not survive a
1390 reorganization, merger or consolidation shall be surrendered to
1391 the commissioner and the Secretary of State on the effective date
1392 of such reorganization, merger, or consolidation and promptly
1393 cancelled by him.

1394 SECTION 33. Section 81-12-66, Mississippi Code of 1972, is
1395 reenacted as follows:

1396 81-12-66. (1) Notwithstanding any other provision of law,
1397 any stock savings association may simultaneously with its
1398 incorporation or conversion to a stock savings association provide
1399 for its ownership by a holding company. In the case of a
1400 conversion, members of the converting savings association shall
1401 have the right to purchase capital stock of the holding company in
1402 lieu of capital stock of the converted savings association in
1403 accordance with Section 81-12-61, Mississippi Code of 1972.

1404 (2) Notwithstanding any other provision of law, any stock
1405 savings association may reorganize its ownership to provide for
1406 ownership by a holding company, upon adoption of a plan of
1407 reorganization by a favorable vote of not less than two-thirds

1408 (2/3) of the members of the board of directors of the savings
1409 association and approval of such plan of reorganization by the
1410 holders of not less than a majority of the issued and outstanding
1411 shares of stock of the savings association. The plan of
1412 reorganization shall provide that (a) the resulting ownership
1413 shall be vested in a Mississippi corporation; (b) all stockholders
1414 of the stock savings association shall have the right to exchange
1415 shares; (c) the exchange of stock shall not be subject to state or
1416 federal income taxation; (d) stockholders not wishing to exchange
1417 shares shall be entitled to dissenters' rights as provided under
1418 Section 79-4-13.01 et seq., Mississippi Code of 1972; and (e) the
1419 plan of reorganization is fair and equitable to all stockholders.

1420 SECTION 34. Section 81-12-67, Mississippi Code of 1972, is
1421 reenacted as follows:

1422 81-12-67. (1) In any case in which a person or group of
1423 persons propose to purchase or acquire voting stock of any capital
1424 stock association, which purchase or acquisition would cause such
1425 person or group of persons to have control, as defined in
1426 subsection (3) of this section, of the association, such person or
1427 group of persons shall first make application to the commissioner
1428 for a certificate of approval of such purchase or acquisition.
1429 The application shall contain the name and address of the proposed
1430 new owner or owners of voting stock, and the commissioner shall
1431 issue the certificate of approval only after he has become
1432 satisfied, by a hearing or otherwise, that the proposed new owner
1433 or owners of voting stock are qualified by character, experience
1434 and financial responsibility to control the association in a legal
1435 and proper manner and that the interest of the stockholders,
1436 depositors and creditors of the association and the interest of
1437 the public generally will not be jeopardized by the proposed
1438 purchase or acquisition of voting stock.

1439 (2) As used in this section, unless the context otherwise
1440 requires:

1441 (a) "Business organization" or "company" means any
1442 corporation, partnership, trust, joint stock company or similar
1443 organization, but does not include any company the majority of the
1444 stock of which is owned by the United States or this state, by an
1445 officer of the United States or this state in his official
1446 capacity, or by an instrumentality of the United States or this
1447 state.

1448 (b) "Savings and loan holding company" means any
1449 company which directly or indirectly controls an association or
1450 controls any other company which is a savings and loan holding
1451 company by virtue of this section.

1452 (c) "Person" means an individual or company.

1453 (d) "Subsidiary" of a person means any company which is
1454 controlled by such person or by a company which is a subsidiary of
1455 such person by virtue of this section.

1456 (3) For purposes of this section, a business organization
1457 shall be deemed to have control of an association or any other
1458 business organization if the business organization:

1459 (a) Directly or indirectly, or acting in concert with
1460 one or more persons or through one or more subsidiaries, owns,
1461 controls, holds with powers to vote, or holds proxies
1462 representing, more than twenty-five percent (25%) of the voting
1463 stock of such association or other business organization;

1464 (b) Controls in any manner the election of a majority
1465 of the directors of such association or other business
1466 organization;

1467 (c) Exercises a controlling influence over the
1468 management or policies of such association or other business
1469 organization.

1470 (4) The following restrictions shall apply to ownership or
1471 control of associations in this state:

1472 (a) Unless organized pursuant to the laws of this
1473 state, and not controlled by a business organization organized

1474 under the laws of another jurisdiction, no business organization
1475 shall either directly or indirectly control any association
1476 located in this state.

1477 (b) No business organization shall acquire control of a
1478 capital stock association located in this state without first
1479 obtaining the prior written approval of the commissioner. Prior
1480 to such acquisition, such business organization shall file an
1481 application with the commissioner containing such information as
1482 the commissioner may require and as will aid in determining that
1483 the acquisition will not be detrimental to the public interest.

1484 (5) Each savings and loan holding company and each
1485 subsidiary thereof shall file such reports as the commissioner may
1486 require from time to time or as required by this chapter. Each
1487 savings and loan holding company and each subsidiary thereof shall
1488 be subject to such examination as the commissioner shall prescribe
1489 or as required by this chapter. The cost of such examinations
1490 shall be assessed against such holding company and paid to the
1491 State Treasurer to the credit of the department.

1492 SECTION 35. Section 81-12-69, Mississippi Code of 1972, is
1493 reenacted as follows:

1494 81-12-69. (1) Subject to the limitations of Section
1495 81-12-65 of this chapter, any association may, at any special
1496 meeting of the members or stockholders called to consider such
1497 action, terminate its existence in accordance with the provisions
1498 of this section upon an affirmative vote of fifty-one percent
1499 (51%) or more of the total number of votes of members, in the case
1500 of a mutual association, or an affirmative vote of sixty-six and
1501 two-thirds percent (66-2/3%) of all the issued and outstanding
1502 stock, in the case of a capital stock association.

1503 (2) Upon such vote, five (5) copies of a certificate of
1504 dissolution, which shall state the vote cast in favor of
1505 dissolution, shall be signed by two (2) officers and acknowledged
1506 before an officer competent to take acknowledgments of deeds. Five

1507 (5) copies of such certificate shall be filed with the
1508 commissioner, who shall examine such association, and, if he finds
1509 that it is not in an impaired condition, shall so note, together
1510 with his approval of such dissolution, upon all the copies of the
1511 certificate of dissolution. The commissioner shall place a copy
1512 in the permanent files in his office, file a copy with the
1513 Secretary of State, and return the remaining copies to the parties
1514 filing the same.

1515 (3) Upon such approval, the association shall be dissolved
1516 and shall cease to carry on business but nevertheless shall
1517 continue as a corporate entity for the sole purpose of paying,
1518 satisfying and discharging existing liabilities and obligations,
1519 collecting and distributing assets, and doing all acts required to
1520 adjust, wind up and dissolve its business and affairs.

1521 (4) The board of directors shall act as trustees for
1522 liquidation as provided in this section. They shall proceed as
1523 quickly as may be practicable to wind up the affairs of the
1524 association and, to the extent necessary or expedient to that end,
1525 shall exercise all the powers of such dissolved association and,
1526 without prejudice to the generality of such authority, may fill
1527 vacancies, elect officers, carry out the contracts, make new
1528 contracts, borrow money, mortgage or pledge the property, sell its
1529 assets at public or private sale, or compromise claims in favor of
1530 or against the association, apply assets to the discharge of
1531 liabilities, distribute assets either in cash or in kind among
1532 savings account members or savings account holders according to
1533 their respective pro rata interests after paying or adequately
1534 providing for the payment of other liabilities, distribute assets
1535 either in cash or in kind among stockholders, and perform all acts
1536 necessary or expedient to the winding up of the association.
1537 Provided, however, that upon liquidation, savings account holders
1538 shall be first paid the value of their accounts, if such funds are
1539 available, before any sums are paid to the stockholders. All

1540 deeds or other instruments shall be in the name of the association
1541 and executed by the president or a vice president and the
1542 secretary or an assistant secretary. The board of directors shall
1543 also have power to exchange or otherwise dispose of or to put in
1544 trust all or substantially all or any part of the assets, upon
1545 such terms and conditions and for such considerations, which may
1546 be money, stock, bonds, shares or accounts of any insured
1547 association, or of any federal association, or other instruments
1548 for the payment of money, or other property, or other
1549 considerations, as the board of directors may deem reasonable or
1550 expedient, and may distribute such considerations or the proceeds
1551 thereof, or trust receipts, or certificates of beneficial interest
1552 among the savings account members or savings account holders in
1553 proportion to their pro rata interests therein.

1554 (5) The association, during the liquidation of the assets of
1555 the association by the board of directors, shall continue to be
1556 subject to the supervision of the commissioner, and the board of
1557 directors shall report the progress of such liquidation to the
1558 commissioner from time to time as he may require. Upon completion
1559 of liquidation, the board of directors shall file with the
1560 commissioner a final report and accounting of such liquidation and
1561 shall surrender the charter of the association. If such report is
1562 approved, the commissioner shall promptly cancel said charter.
1563 The approval of such report by the commissioner shall operate as a
1564 discharge of the board of directors and each member thereof in
1565 connection with the liquidation of such association. No such
1566 dissolution or any action of the board of directors in connection
1567 therewith shall impair any contract right between such association
1568 and any borrower or other person or persons or the vested rights
1569 of any member or savings account holder of such association.

1570 SECTION 36. Section 81-12-71, Mississippi Code of 1972, is
1571 reenacted as follows:

1572 81-12-71. (1) An annual meeting of the members of each
1573 mutual association shall be held as fixed in the bylaws of such
1574 association. Special meetings may be called as provided in the
1575 bylaws.

1576 (2) The members who shall be entitled to vote at any meeting
1577 of the members shall be those who are members of record at the end
1578 of the calendar month next preceding the date of the meeting of
1579 members, except those who have ceased to be members. The number
1580 of votes which members shall be entitled to cast shall be in
1581 accordance with the books on the said date determinative of
1582 entitlement to vote.

1583 (3) In the determination of all questions requiring action
1584 by the members, each member shall be entitled to cast one (1)
1585 vote, plus an additional vote for each One Hundred Dollars
1586 (\$100.00) or fraction thereof of the withdrawal value of savings
1587 accounts, if any, held by such member. No member, however, shall
1588 cast more than four hundred (400) votes.

1589 (4) Voting by proxy at a meeting shall be permitted as set
1590 forth in the bylaws of the association. Constitution of a quorum
1591 shall be set forth in the bylaws of the association.

1592 SECTION 37. Section 81-12-73, Mississippi Code of 1972, is
1593 reenacted as follows:

1594 81-12-73. (1) An annual meeting of stockholders of capital
1595 stock associations shall be held as fixed in the bylaws of the
1596 association. Whenever the provisions of this chapter, the
1597 articles of incorporation, or the bylaws require or authorize the
1598 stockholders to take any action at an annual or special meeting, a
1599 notice of such meeting, signed by the secretary or other officer
1600 permitted by the bylaws, shall be mailed to each stockholder
1601 entitled to vote at such meeting, at his address as it appears on
1602 the records of the corporation, not less than ten (10) nor more
1603 than sixty (60) days before the date set for such meeting. The
1604 articles of incorporation or bylaws may require that such notice

1605 also be published in one or more newspapers. The notice shall
1606 state the purpose of the meeting, a general statement of the
1607 business to be transacted, and the time and place it is to be
1608 held. Such notice shall be sufficient for said meeting and any
1609 adjournment thereof unless otherwise provided in the articles of
1610 incorporation or bylaws. If any stockholder shall transfer any of
1611 his stock after notice, it shall not be necessary to notify the
1612 transferee. Such meetings shall be held within the state and
1613 within the county in which the home office of the association is
1614 located. Any stockholder may waive notice of any meeting either
1615 before, at or after the meeting.

1616 (2) Unless otherwise provided in the articles of
1617 incorporation, every such stockholder shall be entitled at such
1618 meeting, and upon each proposal presented at such meeting, to one
1619 (1) vote for each share of voting stock recorded in his name on
1620 the books of the corporation on the record date fixed as above
1621 provided or, if no such record date was fixed, on the day of
1622 meeting. The books of record of stockholders shall be produced at
1623 any stockholders' meeting upon the request of any stockholder.

1624 (3) The stockholders record date and voting by proxy at any
1625 meeting shall be established and permitted, respectively, as set
1626 forth in the bylaws of the association. Constitution of a quorum
1627 shall be set forth in the bylaws of the association.

1628 SECTION 38. Section 81-12-75, Mississippi Code of 1972, is
1629 reenacted as follows:

1630 81-12-75. An association shall not directly or indirectly
1631 charge any membership, admission, withdrawal or any other fee or
1632 sum of money for the privilege of becoming, remaining or ceasing
1633 to be a member or savings account holder of the association.

1634 SECTION 39. Section 81-12-77, Mississippi Code of 1972, is
1635 reenacted as follows:

1636 81-12-77. (1) Every member, savings account holder or
1637 borrower shall have the right to inspect the books and records of

1638 an association as pertain to his loan or savings account.
1639 Otherwise, the right of inspection and examination of the books
1640 and records shall be limited (a) to the commissioner or his duly
1641 authorized representatives as provided in this chapter, (b) to
1642 persons duly authorized to act for the association, (c) officers
1643 and directors of the association, and (d) to any federal or state
1644 instrumentality or agency authorized to inspect or examine the
1645 books and records of an insured association. The books and
1646 records pertaining to the accounts and loans of members, savings
1647 account holders, and borrowers shall be kept confidential by the
1648 association, its directors, officers and employees, and by the
1649 commissioner, his examiners and representatives, except where the
1650 disclosure thereof shall be compelled by a court of competent
1651 jurisdiction, and no member or any other person shall have access
1652 to the books and records or shall be furnished or shall possess a
1653 partial or complete list of the members, savings account holders,
1654 or borrowers except upon express action and authority of the board
1655 of directors. This shall in no way be construed to prevent the
1656 commissioner from performing his duties under this chapter in any
1657 form permitted by law.

1658 (2) In the event, however, that any member or members desire
1659 to communicate with the other members of the association with
1660 reference to any question pending or to be presented for
1661 consideration at a meeting of the members, the association shall
1662 furnish upon request a statement of the approximate number of
1663 members of the association at the time of such request, and an
1664 estimate of the cost of forwarding such communication. The
1665 requesting member or members shall then submit the communication,
1666 together with a sworn statement that the proposed communication is
1667 not for any reason other than the business welfare of the
1668 association, to the commissioner who, if he finds it to be
1669 appropriate, truthful and in the best interests of the association
1670 and its members, shall execute a certificate setting out such

1671 findings, forward the certificate together with the communication,
1672 which may be sealed and its contents protected, to the
1673 association, and direct that the communication be prepared and
1674 mailed by the association to the members upon the requesting
1675 member's or members' payment to it of the expense of such
1676 preparation and mailing. If the commissioner finds such proposed
1677 communication to be inappropriate, untruthful or contrary to the
1678 best interests of the association and its members, he shall have
1679 the discretion to make any disposition of the request to
1680 communicate which he deems proper and he shall execute a
1681 certificate setting out such findings and deliver it to the
1682 requesting member together with his order making disposition of
1683 the request.

1684 SECTION 40. Section 81-12-79, Mississippi Code of 1972, is
1685 reenacted as follows:

1686 81-12-79. The commissioner shall call upon each association
1687 for the reports required in this section. Such calls shall be
1688 made by the commissioner in writing by letter or other similar
1689 means of written communications for the same dates and as often as
1690 calls are issued by the appropriate federal regulating authority
1691 for reports from federal associations. The commissioner shall
1692 prescribe the forms for such reports. The reports shall be sworn
1693 to by either the president, vice president or cashier of the
1694 association making them, attested by not less than two (2) of the
1695 board of directors, and shall exhibit in detail, under appropriate
1696 heads, the total resources and total liabilities of the
1697 association on the day specified by the commissioner.
1698 Associations shall transmit to the department such call reports
1699 within a time limitation established by regulation by the
1700 commissioner; however, such time limitation cannot exceed that set
1701 by the Federal Deposit Insurance Corporation for state insured
1702 associations. For any failure or delay in furnishing this report,
1703 the president, vice president or cashier of any such association,

1704 so in default, and the members of the board of directors of the
1705 association refusing to attest the report, shall be subject to an
1706 administrative fine, which may be imposed by the commissioner, of
1707 Fifty Dollars (\$50.00) a day for each day while in such default.

1708 SECTION 41. Section 81-12-81, Mississippi Code of 1972, is
1709 reenacted as follows:

1710 81-12-81. (1) The business of the mutual association shall
1711 be directed by a board of directors of not less than five (5) nor
1712 more than fifteen (15) as determined by, and elected by, ballot
1713 from among the members by a plurality of the votes of the members
1714 present or voting by proxy. At all times at least two-thirds
1715 (2/3) of the directors shall be bona fide residents of this state.

1716 (2) In order to qualify as a director, a member of an
1717 association must hold individually, or jointly with his spouse, a
1718 savings account, the withdrawal value of which is at least Five
1719 Hundred Dollars (\$500.00); provided that if the assets of the
1720 association exceed Five Million Dollars (\$5,000,000.00), the
1721 withdrawal value of such account must be at least One Thousand
1722 Dollars (\$1,000.00). No member shall be eligible for election or
1723 shall serve as a director or officer of an association who has
1724 been convicted of a criminal offense involving dishonesty or a
1725 breach of trust. A director shall cease to be a director when he
1726 ceases to be a member, or when he is adjudicated a bankrupt or is
1727 convicted of a criminal offense as herein provided, or when the
1728 net equity above loans of all savings accounts in the association
1729 held by him aggregates for a period of thirty (30) consecutive
1730 days less than the minimum required to be eligible for election as
1731 a director, but no action of the board of directors shall be
1732 invalidated through the participation of such director in such
1733 action unless the vote of such director be challenged prior to
1734 such action; provided that if a director becomes ineligible under
1735 the terms of this subsection by reason of the exercise by the
1736 association of the right of redemption of savings accounts

1737 provided for in Section 81-12-153 he shall remain validly in
1738 office until the expiration of his term or until he otherwise
1739 becomes ineligible, resigns or is removed, whichever may occur
1740 first.

1741 (3) Directors shall be classified as set forth in the bylaws
1742 of the association.

1743 (4) The authorized number of directors determined by the
1744 members within the limits hereinabove specified may subsequently
1745 be increased or decreased only by vote of the members.

1746 (5) Each director, upon assuming office, shall take an oath
1747 that he will, so far as the duty devolves on him, diligently and
1748 honestly administer the affairs of the association and will not
1749 knowingly violate or permit to be violated, any of the provisions
1750 of this chapter, and a written copy of such oath shall be filed
1751 with the commissioner.

1752 (6) If the members fail to elect a director to fill each
1753 vacancy created by any such increase, the directors may fill such
1754 vacancy by electing a director to serve until the next annual
1755 meeting of the members, at which time a director shall be elected
1756 to fill the vacancy for the unexpired term of the class of
1757 director in which such vacancy exists.

1758 (7) Whenever under the provisions hereof the number of
1759 directors is changed and vacancies caused by such change are
1760 filled, the directors so elected shall be classified in accordance
1761 with the provisions of the bylaws of the association.

1762 (8) Any vacancy among directors, not so filled by the
1763 members, may be filled by a majority vote of the remaining
1764 directors, though less than a quorum, by electing a director to
1765 serve until the next annual meeting of the members, at which time
1766 a director shall be elected to fill the vacancy for the unexpired
1767 term for the class of director in which such vacancy exists. In
1768 event of a vacancy on the board of directors from any cause, the
1769 remaining directors shall have full power and authority to

1770 continue direction of the association until such vacancy is
1771 filled.

1772 SECTION 42. Section 81-12-83, Mississippi Code of 1972, is
1773 reenacted as follows:

1774 81-12-83. (1) The business of a capital stock association
1775 shall be managed and its powers exercised by a board of directors.
1776 The board shall consist of not less than five (5) adult natural
1777 persons who shall be elected at the annual meeting of stockholders
1778 in the following manner:

1779 At each election for directors every shareholder entitled to
1780 vote at such election shall have the right to vote, in person or
1781 by proxy, the number of shares owned by him for as many persons as
1782 there are directors to be elected and for whose election he has a
1783 right to vote.

1784 (2) The term of office of the directors shall be for one (1)
1785 year; provided that when the board of directors shall consist of
1786 nine (9) or more members, in lieu of electing the whole number of
1787 directors annually, the articles of incorporation may provide that
1788 the directors be divided into either two (2) or three (3) classes,
1789 each class to be as nearly equal in number as possible, the term
1790 of office of directors of the first class to expire at the first
1791 annual meeting of the shareholders after their election; that of
1792 the second class to expire at the second annual meeting after
1793 their election; and that of the third class, if any, to expire at
1794 the third annual meeting after their election. At each annual
1795 meeting after such classification, the number of directors equal
1796 to the number of the class whose term expires at the time of such
1797 meeting shall be elected to hold office until the second
1798 succeeding annual meeting, if there be two (2) classes, or until
1799 the third succeeding annual meeting, if there be three (3)
1800 classes. No classification of directors shall be effective prior
1801 to the first annual meeting of shareholders.

1802 (3) Every director must, during his whole term of service,
1803 be a citizen of the United States, and at least three-fifths (3/5)
1804 of the directors must have resided in this state for at least one
1805 (1) year preceding their election and must be residents therein
1806 during their continuance in office. No person shall be eligible
1807 for election or shall serve as a director or officer of a capital
1808 stock association who has been convicted of a criminal offense. A
1809 director or officer shall automatically cease to be a director
1810 when he is adjudicated a bankrupt or convicted of a criminal
1811 offense. However, no action of the board of directors shall be
1812 invalidated through the participation of such director in such
1813 action unless challenge is made to such director's vote prior to
1814 such action. Each director shall, in his own name, own capital
1815 stock in, or have a deposit relationship with, the association on
1816 an unencumbered basis as follows:

1817 (a) For stock associations under Fifty Million Dollars
1818 (\$50,000,000.00) in assets, stock ownership in the institution or
1819 its holding company of Two Thousand Five Hundred Dollars
1820 (\$2,500.00) in market value at time of purchase; or

1821 (b) For mutual associations under Fifty Million Dollars
1822 (\$50,000,000.00) in assets, a Two Thousand Five Hundred Dollar
1823 (\$2,500.00) deposit relationship; or

1824 (c) For stock associations over Fifty Million Dollars
1825 (\$50,000,000.00) in assets, stock ownership in the institution or
1826 its holding company of Five Thousand Dollars (\$5,000.00) in market
1827 value at the time of purchase; or

1828 (d) For mutual associations over Fifty Million Dollars
1829 (\$50,000,000.00) in assets a Five Thousand Dollar (\$5,000.00)
1830 deposit relationship.

1831 For associations that cross the Fifty Million Dollar
1832 (\$50,000,000.00) threshold, the commissioner shall allow a
1833 reasonable period for the directors to comply with the ownership
1834 interest requirement.

1835 (4) Each director, upon assuming office, shall take an oath
1836 that he will, so far as the duty devolves on him, diligently and
1837 honestly administer the affairs of such capital stock association
1838 and will not knowingly violate or permit to be violated, any of
1839 the provisions of this chapter, and a written copy of such oath
1840 shall be filed with the commissioner.

1841 (5) The board of directors of each capital stock association
1842 shall hold meetings as set forth in the bylaws of the association.

1843 (6) Vacancies on the board of directors may be filled at a
1844 meeting by the stockholders called for that purpose.

1845 SECTION 43. Section 81-12-85, Mississippi Code of 1972, is
1846 reenacted as follows:

1847 81-12-85. Each association shall provide and maintain a
1848 fidelity bond covering its officers, attorneys, employees, agents
1849 and directors when performing the duties of officers or employees,
1850 in the form and amount required by the commissioner, but in no
1851 event less than One Hundred Thousand Dollars (\$100,000.00). No
1852 bond coverage will be required of any agent which is a financial
1853 institution insured by the Federal Deposit Insurance Corporation.
1854 Such bonds shall provide that a cancellation thereof either by the
1855 surety or by the insured shall not become effective unless and
1856 until thirty (30) days' notice in writing first shall have been
1857 given to the commissioner, unless he shall have approved such
1858 cancellation earlier.

1859 SECTION 44. Section 81-12-87, Mississippi Code of 1972, is
1860 reenacted as follows:

1861 81-12-87. Directors and officers occupy a fiduciary
1862 relationship to the association of which they are directors or
1863 officers, and no director or officer shall engage or participate,
1864 directly or indirectly, in any business or transaction conducted
1865 on behalf of or involving the association, which would result in a
1866 conflict of his own personal interests with those of the
1867 association which he serves. Without limitation by any of the

1868 specific provisions of any of the subsections hereof, the
1869 commissioner may require the disclosure by directors, officers and
1870 employees of any personal interest, directly or indirectly, in any
1871 business or transactions on behalf of or involving the association
1872 and of their control of or active participation in enterprises
1873 having activities related to the business of the association. The
1874 following restrictions governing the conduct of directors and
1875 officers expressly are specified, but such specification is not to
1876 be construed in any manner as excusing such persons from the
1877 observance of any other aspect of the general fiduciary duty owed
1878 by them to the association which they serve:

1879 (a) From and after January 1, 1979, no officer or
1880 director of an association shall hold office as a director or
1881 officer of another thrift institution the principal office of
1882 which is located in the association's primary lending area.

1883 (b) No director of an association shall receive
1884 remuneration as director except reasonable fees for service as a
1885 director or for service as a member of a committee of directors,
1886 except that nothing herein contained shall be deemed to prohibit
1887 or in any way to limit any right of a director who is also an
1888 officer or employee of or attorney for the association to receive
1889 compensation for service as an officer, employee or attorney.

1890 (c) Loans aggregating fifteen percent (15%) of the
1891 unimpaired capital and unimpaired surplus may be made by any
1892 association to any director or executive officer thereof, as
1893 defined in Regulation O promulgated by the Board of Governors of
1894 the Federal Reserve System, less existing direct and indirect
1895 liabilities thereto, upon affirmative approval of a majority of
1896 all directors spread on the minutes of a directors' meeting held
1897 before such loan is made, provided, such loan is made on
1898 substantially the same terms and conditions extended to other
1899 borrowers for comparable transactions. Any association may lend
1900 to any such director or executive officer thereof, upon

1901 affirmative approval of a majority of all directors spread on the
1902 minutes of a directors' meeting held before such loan is made, not
1903 more than twenty percent (20%) of the unimpaired capital and
1904 unimpaired surplus of the association, less the amount of existing
1905 direct and indirect liabilities, when secured; or when the portion
1906 thereof in excess of any amount loaned under the first provision
1907 hereof is secured by obligations of the United States government,
1908 the State of Mississippi, and the levee districts, counties, road
1909 districts, school districts, and municipalities of the State of
1910 Mississippi, obligations of any other state of the United States
1911 and other bonds of recognized character and standing, which are
1912 the subject of daily newspaper market quotations, provided such
1913 loan shall not exceed eighty percent (80%) of the market or par
1914 value (whichever is less) of the bonds or obligations offered as
1915 security. Any association may lend to any executive officer or
1916 director thereof upon affirmative approval of a majority of all
1917 directors spread on the minutes of a directors' meeting held
1918 before such loan is made, such amount as is safe and proper, when
1919 secured by warehouse receipts or shippers' order bills of lading
1920 representing actual existing values, provided the amount loaned
1921 shall not exceed eighty percent (80%) of the market value of the
1922 commodities representing the actual existing values, and loans of
1923 this nature shall be made payable on demand so that the security
1924 held therefor may be sold on any date and the proceeds thereof
1925 applied to the payment of the loan. However, an association's
1926 board of directors may, as shown in its minutes, give to an
1927 association officer the authority to make secured or unsecured
1928 loans to an executive officer or director of such association,
1929 without receiving the board's prior approval, in an amount that,
1930 when aggregated with the amount of all other extensions of credit
1931 to that person and to all related interests of that person, does
1932 not exceed the greater of Twenty-five Thousand Dollars

1933 (\$25,000.00) or five percent (5%) of the association's unimpaired
1934 capital and unimpaired surplus.

1935 However, no association shall extend credit to any director
1936 or executive officer thereof, in an amount that, when aggregated
1937 with all other extensions of credit to that person and to all
1938 related interests of that person, exceeds Five Hundred Thousand
1939 Dollars (\$500,000.00) without documented prior affirmative
1940 approval of a majority of its directors.

1941 Loans and discounts by an association to a director or
1942 executive officer thereof secured in full by funds on deposit in
1943 time or savings accounts with the lending association to the
1944 credit of the borrower shall not be restricted to the fifteen
1945 percent (15%) or twenty percent (20%) limitations herein
1946 prescribed.

1947 The limitations of this section shall not apply where an
1948 executive officer or director shall bona fide purchase from the
1949 association at a reasonable price real or personal property
1950 acquired by the association in payment of debts due the
1951 association, provided such transactions are approved by a majority
1952 of the board of directors, such approval to be shown in their
1953 minutes; and, in cases where loans are made by branch offices, the
1954 sum total of loans made by any branch or branches and its parent
1955 association to such executive officer or director shall be
1956 computed as against the total capital stock and surplus of the
1957 parent association and its branch or branches. Loans heretofore
1958 made to executive officers or directors may be renewed or extended
1959 if in accord with sound banking practice.

1960 (d) No director or officer shall have any interest,
1961 directly or indirectly, in the proceeds of a loan or investment or
1962 of a purchase or sale made by the association, unless such loan,
1963 investment, purchase or sale is authorized expressly by resolution
1964 of the board of directors, and unless such resolution is approved
1965 by vote of at least two-thirds (2/3) of the directors authorized

1966 by the association, any interested director taking no part in such
1967 vote.

1968 (e) No director or officer shall have any interest,
1969 directly or indirectly, in the purchase at less than its face
1970 value of any evidence of a savings account, deposit or other
1971 indebtedness issued by the association.

1972 (f) No director, association or officer thereof shall
1973 require, as a condition to the granting of any loan or the
1974 extension of any other service by the association, that the
1975 borrower or any other person undertake a contract of insurance or
1976 any other agreement, or understanding with respect to the
1977 furnishing of any other goods or services, with any specific
1978 company, agency or individual.

1979 (g) No officer or director acting as proxy for a member
1980 or stockholder of record of an association shall exercise,
1981 transfer or delegate such vote or votes in any consideration of a
1982 private benefit or advantage, direct or indirect, accruing to
1983 himself, nor shall he surrender control or pass his office to any
1984 other for any consideration of a private benefit or advantage,
1985 direct or indirect. The voting rights of members, stockholders
1986 and directors shall not be subject to sale, barter, exchange or
1987 similar transaction, either directly or indirectly. Any officer
1988 or director who violates the provisions of this section shall be
1989 held accountable to the association for any increment and subject
1990 to the criminal penalty below.

1991 (h) No director or officer shall solicit, accept or
1992 agree to accept, directly or indirectly, from any person other
1993 than the association any gratuity, compensation or other personal
1994 benefit for any action taken by the association or for endeavoring
1995 to procure any such action.

1996 (i) Any violation of the provisions of this section
1997 shall be punishable by not more than five (5) years' imprisonment
1998 or a fine of not more than Five Thousand Dollars (\$5,000.00).

1999 SECTION 45. Section 81-12-89, Mississippi Code of 1972, is
2000 reenacted as follows:

2001 81-12-89. No association shall deposit any of its funds,
2002 except with a depository approved by a vote of a majority of the
2003 directors authorized by the association, any director who is an
2004 officer, partner, director, or trustee of the depository so
2005 designated taking no part in such vote.

2006 SECTION 46. Section 81-12-91, Mississippi Code of 1972, is
2007 reenacted as follows:

2008 81-12-91. Any person may be indemnified or reimbursed by the
2009 association for reasonable expenses, including, but not limited
2010 to, attorney's fees actually incurred by him in connection with
2011 any action, suit or proceeding, instituted or threatened, judicial
2012 or administrative, civil or criminal, to which he is made a party
2013 by reason of his being or having been a director, officer or
2014 employee of an association; however, no person shall be so
2015 indemnified or reimbursed, nor shall he retain any advancement or
2016 allowance for indemnification which may have been made by the
2017 association in advance of final disposition, in relation to such
2018 action, suit or proceeding in which and to the extent that he
2019 finally shall be adjudicated to have been guilty of a breach of
2020 good faith, to have been negligent in the performance of his
2021 duties or to have committed an action or failed to perform a duty
2022 for which there is a common law or a statutory liability. In
2023 addition, a person may, with the approval of the commissioner, be
2024 so indemnified or reimbursed for:

2025 (a) Amounts paid in compromise or settlement of any
2026 action, suit or proceeding, including reasonable expenses incurred
2027 in connection therewith; or

2028 (b) Reasonable expenses, including fines and penalties,
2029 incurred in connection with a criminal or civil action, suit or
2030 proceeding in which such person has been adjudicated guilty,
2031 negligent or liable, if it shall be determined by the board of

2032 directors and the commissioner that such person was acting in good
2033 faith and in what he believed to be the best interests of the
2034 association and without knowledge that the action was illegal and
2035 if such indemnification or reimbursement is approved at an annual
2036 or special meeting of the members or stockholders by a majority of
2037 the votes eligible to be cast. Amounts paid to the association,
2038 whether pursuant to judgment or settlement by any person within
2039 the meaning of this section, shall not be indemnified or
2040 reimbursed in any case.

2041 SECTION 47. Section 81-12-93, Mississippi Code of 1972, is
2042 reenacted as follows:

2043 81-12-93. No association shall make any management contract
2044 with any person or persons extending for more than three (3)
2045 years. Contracts in excess of one (1) year shall first be
2046 approved by the commissioner. No such contract shall permit an
2047 association to be managed on a commission basis.

2048 SECTION 48. Section 81-12-95, Mississippi Code of 1972, is
2049 reenacted as follows:

2050 81-12-95. Every association shall keep at the home office
2051 correct and complete minutes of the proceedings and meetings of
2052 members, stockholders, directors and the executive committee.
2053 Complete records of all business transacted at the home office
2054 shall be maintained at the home office, and control records of all
2055 business transacted at each branch office or agency shall be
2056 maintained at the home office, except as permitted below.
2057 However, any state savings association may cause any or all
2058 records at any time in its custody to be reproduced in a format of
2059 storage commonly used, whether electronic, imaged, magnetic,
2060 microphotographic, or otherwise, and any reproduction so made
2061 shall have the same force and effect as the original thereof and
2062 be admitted in evidence equally with the original.

2063 SECTION 49. Section 81-12-97, Mississippi Code of 1972, is
2064 reenacted as follows:

2065 81-12-97. (1) Each branch office shall keep detailed
2066 records of all transactions at such branch office and shall
2067 furnish full control records to the home office, except as
2068 permitted below.

2069 (2) Each agent of an association shall keep an original
2070 record of each transaction of business of the association and
2071 shall report promptly to the home office. Complete detailed
2072 permanent records of such transactions are not required to be
2073 maintained at such agency.

2074 SECTION 50. Section 81-12-99, Mississippi Code of 1972, is
2075 reenacted as follows:

2076 81-12-99. An association which determines to maintain any of
2077 its records by means of data processing services shall so notify
2078 the commissioner, in writing, at least ninety (90) days prior to
2079 the date on which such maintenance of records will begin. Such
2080 notification shall include identification of the records to be
2081 maintained by data processing services and a statement as to the
2082 location at which such records will be maintained. Any contract,
2083 agreement or arrangement made by an association pursuant to which
2084 data processing services are to be performed for such association
2085 shall be in writing and shall expressly provide that the records
2086 to be maintained by such services shall at all times be available
2087 for examination and audit.

2088 SECTION 51. Section 81-12-101, Mississippi Code of 1972, is
2089 reenacted as follows:

2090 81-12-101. (1) Every association shall use such forms and
2091 observe such accounting principles and practices as the
2092 commissioner may require from time to time.

2093 (2) Every association shall close its books annually.

2094 (3) No association by any system of accounting or any device
2095 of bookkeeping shall, either directly or indirectly, enter any of
2096 its assets upon its books in the name of any other person,

2097 partnership, association or corporation or under any title or
2098 designation that is not truly descriptive of such assets.

2099 SECTION 52. Section 81-12-103, Mississippi Code of 1972, is
2100 reenacted as follows:

2101 81-12-103. The commissioner, after a determination of value
2102 made in accordance with Section 81-12-177(8), may order that
2103 assets, individually or in the aggregate, to the extent that such
2104 assets are overvalued on an association's books, be charged off,
2105 or that a special reserve or reserves equal to such overvaluation
2106 be set up by transfers from undivided profits or reserves.

2107 SECTION 53. Section 81-12-105, Mississippi Code of 1972, is
2108 reenacted as follows:

2109 81-12-105. (1) An association shall not carry any real
2110 estate on its books at a sum in excess of the total amount
2111 invested by such association on account of such real estate,
2112 including advances, costs, and improvements but excluding accrued
2113 but uncollected interest.

2114 (2) Every association shall have appraised each parcel of
2115 real estate immediately following acquisition thereof. The report
2116 of each such appraisal shall be submitted in writing to the board
2117 of directors and shall be kept in the records of the association.
2118 In addition to his powers under Section 81-12-177(8) of this
2119 chapter, the commissioner may require the appraisal of real estate
2120 securing loans which are delinquent more than four (4) months.

2121 SECTION 54. Section 81-12-107, Mississippi Code of 1972, is
2122 reenacted as follows:

2123 81-12-107. Every association shall maintain complete loan
2124 and investment records in a manner prescribed by the commissioner.
2125 Detailed records necessary to make determinations of compliance by
2126 an association with the investment, liquidity, loan and other
2127 provisions of this chapter shall be maintained consistently and at
2128 all times, the record of each real estate loan or other secured
2129 loan or investment containing documentation to the satisfaction of

2130 the commissioner of the type, adequacy and completion of the
2131 security.

2132 SECTION 55. Section 81-12-109, Mississippi Code of 1972, is
2133 reenacted as follows:

2134 81-12-109. Every association shall maintain membership and
2135 stockholder records, which shall show the name and address of the
2136 member or stockholder, the status of the member as a savings
2137 account holder, or an obligor, or a savings account holder and
2138 obligor, and the date of membership or ownership of stock. In the
2139 case of members holding a savings account the association shall
2140 obtain a savings account contract containing the signature of each
2141 holder of such account or his duly authorized representative, and
2142 shall preserve such contract in the records of the association.

2143 SECTION 56. Section 81-12-111, Mississippi Code of 1972, is
2144 reenacted as follows:

2145 81-12-111. Any association may cause any or all records kept
2146 by such association to be copied or reproduced by any photostatic,
2147 photographic or microfilming process which correctly and
2148 permanently copies, reproduces or forms a medium for copying or
2149 reproducing the original record on a film or other durable
2150 material, and such association may thereafter dispose of the
2151 original record. Any such copy or reproduction shall be deemed to
2152 be an original record for all purposes and shall be treated as an
2153 original record in all courts or administrative agencies for the
2154 purpose of its admissibility in evidence. A facsimile,
2155 exemplification or certified copy of any such copy or reproduction
2156 reproduced from a film record shall, for all purposes, be deemed a
2157 facsimile, exemplification or certified copy of the original
2158 record.

2159 SECTION 57. Section 81-12-113, Mississippi Code of 1972, is
2160 reenacted as follows:

2161 81-12-113. Every association shall set up and maintain the
2162 reserves required by the board and may set up and maintain such

2163 additional reserves as are permitted by this chapter. The
2164 commissioner shall fix the amount of each association's separate
2165 reserve account to be set up and maintained for the sole purpose
2166 of absorbing losses (termed in this chapter "general reserve"),
2167 but in no event shall such amount of such general reserve be less
2168 than the amount required by the Federal Deposit Insurance
2169 Corporation. Transfers to general reserve shall be made at such
2170 time or times as set by the commissioner.

2171 SECTION 58. Section 81-12-115, Mississippi Code of 1972, is
2172 reenacted as follows:

2173 81-12-115. The savings liability of an association is not
2174 limited, but shall consist only of the aggregate amount of savings
2175 accounts of its members or savings account holders, plus earnings
2176 credited to such accounts, less redemption and withdrawal
2177 payments. Except as limited by the board of directors from time
2178 to time, a member or savings account holder may make additions to
2179 his savings accounts in such amounts and at such times as he may
2180 elect. The members or savings account holders of an association
2181 shall not be responsible for any losses which its savings
2182 liability shall not be sufficient to satisfy, and savings accounts
2183 shall not be subject to assessment. Earnings shall be declared in
2184 accordance with the provisions of this chapter. Except as
2185 provided in Section 81-12-153, no association shall prefer one (1)
2186 of its savings accounts over any other savings account as to the
2187 right to participate in earnings. No preference between savings
2188 account members or savings account holders shall be created with
2189 respect to the distribution of assets upon voluntary or
2190 involuntary liquidation, dissolution or winding up of an
2191 association. No association shall issue, sell, negotiate or
2192 advertise any type of savings account or debt security, except as
2193 authorized by this chapter, nor shall it contract with respect to
2194 any savings account or other account in a manner inconsistent with
2195 the provisions of this chapter.

2196 SECTION 59. Section 81-12-117, Mississippi Code of 1972, is
2197 reenacted as follows:

2198 81-12-117. Savings accounts may be opened and held solely
2199 and absolutely in his own right by, or in trust or other fiduciary
2200 capacity for, any person, including an adult or minor individual,
2201 male or female, single or married, partnership, association,
2202 fiduciary, corporation or by a political subdivision or public or
2203 governmental unit, but only to the extent expressly authorized by
2204 the statutes of this state. Savings accounts shall be represented
2205 only by the account of each savings account holder on the books of
2206 the association, and such accounts or any interest therein shall
2207 be transferable only on the books of the association and upon
2208 proper written application by the transferee and upon acceptance
2209 by the association of the transferee as a savings account holder
2210 upon terms approved by the board of directors. The association
2211 may treat the holder of record of a savings account as the owner
2212 thereof for all purposes.

2213 SECTION 60. Section 81-12-119, Mississippi Code of 1972, is
2214 reenacted as follows:

2215 81-12-119. Each holder of a savings account shall execute a
2216 savings account contract setting forth any special terms and
2217 provisions applicable to such savings account and the ownership
2218 thereof and the conditions upon which withdrawals may be made, not
2219 inconsistent with the provisions of this chapter.

2220 SECTION 61. Section 81-12-121, Mississippi Code of 1972, is
2221 reenacted as follows:

2222 81-12-121. Evidence of ownership of a savings account shall
2223 be issued in such form as approved by the commissioner by
2224 regulation.

2225 SECTION 62. Section 81-12-123, Mississippi Code of 1972, is
2226 reenacted as follows:

2227 81-12-123. Upon the filing with an association by the holder
2228 of record as shown by the books of the association, or by his

2229 legal representative, of an affidavit to the effect that the
2230 account book or certificate evidencing his savings account with
2231 the association has been lost or destroyed, and that such account
2232 book or certificate has not been pledged or assigned in whole or
2233 in part, such association shall issue a new account book or
2234 certificate in the name of the holder of record, such evidence
2235 stating that it is issued in lieu of the one lost or destroyed,
2236 and the association shall in no way be liable thereafter on
2237 account of the original account book or certificate, provided that
2238 the board of directors shall, if in its judgment it is necessary,
2239 require a bond in an amount it deems sufficient to indemnify the
2240 association against any loss which might result from the issuance
2241 of such new account book or certificate.

2242 SECTION 63. Section 81-12-125, Mississippi Code of 1972, is
2243 reenacted as follows:

2244 81-12-125. The commissioner shall by regulation determine
2245 the conditions under which merchandise, things of value or
2246 services performed outside the premises of an association may be
2247 furnished as an inducement for the opening or increase of any
2248 savings account.

2249 SECTION 64. Section 81-12-127, Mississippi Code of 1972, is
2250 reenacted as follows:

2251 81-12-127. Notice to any association doing business in this
2252 state of an adverse claim to an account on its books in the name
2253 of any savings account holder shall not be effectual to cause the
2254 association to recognize such adverse claimant unless such adverse
2255 claimant either procures a restraining order, injunction or other
2256 appropriate process against the association from a court of
2257 competent jurisdiction in a cause therein instituted by him
2258 wherein the savings account holder in whose name the account
2259 appears is made a party and served with summons, or shall execute
2260 to the association, in form and with sureties acceptable to it, a
2261 bond indemnifying it from any and all liability, loss, damage,

2262 costs and expenses for and on the account of the payment of such
2263 adverse claim.

2264 SECTION 65. Section 81-12-129, Mississippi Code of 1972, is
2265 reenacted as follows:

2266 81-12-129. An association may contract with the proper
2267 authorities of any public or nonpublic elementary or secondary
2268 school or institution of higher learning, or any public or
2269 charitable institution caring for minors, for the participation
2270 and implementation by the association in any school or
2271 institutional thrift or savings plan, and it may accept savings
2272 accounts at such a school or institution, either by its own
2273 collector or by any representative of the school or institution
2274 which becomes the agent of the association for such purpose.

2275 SECTION 66. Section 81-12-131, Mississippi Code of 1972, is
2276 reenacted as follows:

2277 81-12-131. An association may contract with any employer
2278 with respect to the solicitation, collection and receipt of
2279 savings by payroll deduction to be credited to a designated
2280 account or accounts of his or its employee or employees who
2281 voluntarily may participate.

2282 SECTION 67. Section 81-12-133, Mississippi Code of 1972, is
2283 reenacted as follows:

2284 81-12-133. Any association may continue to recognize the
2285 authority of an attorney in fact authorized in writing to manage
2286 or to make withdrawals either in whole or in part from the savings
2287 account of a member or savings account holder until it receives
2288 written notice or is on actual notice of the revocation of his
2289 authority. For the purposes of this section, written notice of
2290 the death or adjudication of incompetency of such savings account
2291 holder shall constitute written notice of revocation of the
2292 authority of his attorney. No such institution shall be liable
2293 for damages, penalty or tax by reason of any payment made in
2294 accord with this section.

2295 SECTION 68. Section 81-12-135, Mississippi Code of 1972, is
2296 reenacted as follows:

2297 81-12-135. An association and any federal association may
2298 issue savings accounts to any minor or other person under
2299 disability as the sole and absolute owner of such savings account,
2300 and receive payments thereon by or for such owner, and pay
2301 withdrawals, accept pledges to the association, and act in any
2302 other manner with respect to such accounts on the written
2303 instruction of such savings account holder in accord with this
2304 chapter. Any payment or delivery of rights to any minor or other
2305 person under a disability, or a receipt or acquittance signed by a
2306 minor or other person under a disability, who holds a savings
2307 account, shall be a valid and sufficient release of such
2308 association for any payment so made or delivery of rights to such
2309 minor or person. The receipt, acquittance, pledge or other action
2310 required by the association to be taken by such minor or person
2311 shall be binding upon such minor or person with like effect as if
2312 he were of full age and legal capacity. The parent or guardian of
2313 such minor or person shall not in his capacity as parent or
2314 guardian have the power to attach or in any manner to transfer any
2315 savings account issued to or in the name of such minor or person;
2316 provided, however, that in the event of the death of such minor or
2317 person the receipt or acquittance of either parent, a person
2318 standing in loco parentis, guardian or conservator of such minor
2319 or person shall be a valid and sufficient discharge of such
2320 association for any sum or sums not exceeding in the aggregate One
2321 Thousand Dollars (\$1,000.00) unless the minor or person shall have
2322 given written notice to the association not to accept the
2323 signature of such person.

2324 SECTION 69. Section 81-12-137, Mississippi Code of 1972, is
2325 reenacted as follows:

2326 81-12-137. (1) Accounts may be in the name of two (2) or
2327 more persons, whether minor or adult, in such form that the monies

2328 in the accounts are payable to either, or the survivor or
2329 survivors, and such money due under such accounts and all
2330 additions thereto shall be the property of such persons as joint
2331 tenants with the right of survivorship. The monies due under such
2332 accounts may be paid to or on the order of any one (1) of such
2333 persons during his lifetime or to or on the order of any one (1)
2334 of the survivors of them after the death of any one or more of
2335 them. The opening of the account in such form shall be conclusive
2336 evidence as to the liability of the association only in any action
2337 or proceeding to which the association is a party, of the
2338 intention of all of the parties to the account to vest title to
2339 money due under the account and the additions thereto in such
2340 survivor or survivors. By written instructions given to the
2341 association by all the parties to the account, the signatures of
2342 more than one (1) of such persons during their lifetime or of more
2343 than one (1) of the survivors after the death of any one (1) of
2344 them may be required for withdrawal, in which case the association
2345 shall pay the monies in the account only in accordance with such
2346 instructions, but no such instructions shall limit the right of
2347 the survivor or survivors to receive the money in the account. By
2348 written agreement with the association, any person may create a
2349 joint account with other persons as joint tenants with the right
2350 of survivorship and said agreement may be signed only by the
2351 persons creating said account.

2352 (2) The association, unless instructed in writing to the
2353 contrary, may loan money to any one or more persons constituting a
2354 single membership or account as joint tenants with the right of
2355 survivorship, and any person authorized to make withdrawals as
2356 provided in this section may pledge, hypothecate or assign all or
2357 any part of the money due or to become due under such account.
2358 Any such pledge, hypothecation or assignment or any increase to or
2359 withdrawal from the account shall not destroy the joint tenancy
2360 with right of survivorship.

2361 (3) Payment of all or any of the monies in such account, as
2362 provided in this section, shall discharge the association from
2363 liability with respect to the monies so paid, prior to receipt by
2364 the association of a court order. After receipt of such court
2365 order, an association may refuse, without liability, to honor any
2366 withdrawal on the account pending determination of the rights of
2367 the parties. No association paying any survivor in accordance
2368 with the provisions of this section shall thereby be liable for
2369 any estate, inheritance or succession taxes which may be due this
2370 state.

2371 SECTION 70. Section 81-12-139, Mississippi Code of 1972, is
2372 reenacted as follows:

2373 81-12-139. Any association may accept accounts in the name
2374 of any administrator, executor, guardian, trustee or other
2375 fiduciary in trust for a named beneficiary or beneficiaries. Any
2376 such fiduciary shall have power to vote as a member as if any
2377 membership account were held absolutely, to make payments upon,
2378 and to withdraw any such account, in whole or in part. The
2379 withdrawal value of any such account, or other rights relating
2380 thereto may be paid or delivered, in whole or in part, to such
2381 fiduciary, without regard to any notice to the contrary, as long
2382 as such fiduciary is living. The payment or delivery to any such
2383 fiduciary or a receipt of acquittance signed by any such fiduciary
2384 to whom any such payment or any such delivery of rights is made
2385 shall be valid and sufficient release and discharge of any
2386 association for the payment or delivery so made. Whenever a
2387 person holding an account in a fiduciary capacity dies and no
2388 written notice of the revocation or termination of the trust
2389 relationship shall have been given to an association and the
2390 association has no notice of any other disposition of the trust
2391 estate, the withdrawal value of such account, or other rights
2392 relating thereto may, at the option of an association, be paid or
2393 delivered, in whole or in part, to the beneficiary or

2394 beneficiaries of such trust. Whenever an account shall be opened
2395 by any person describing himself in opening such account as
2396 trustee for another and there is no other or further notice of the
2397 existence and terms of a legal and valid trust, then such
2398 description shall be given in writing to such association. In the
2399 event of the death of the person so described as trustee, the
2400 withdrawal value of such account or any part thereof may be paid
2401 to the person for whom the account was thus stated to have been
2402 opened, and such account and all additions thereto shall be the
2403 property of such person, unless prior to payment the trust
2404 agreement is presented to the association showing a contrary
2405 interest. When made in accord with this section, the payment or
2406 delivery to any such beneficiary, beneficiaries or designated
2407 person, or a receipt or acquittance signed by any such
2408 beneficiary, beneficiaries or designated person for any such
2409 payment or delivery shall be valid and sufficient release and
2410 discharge of an association for the payment or delivery so made.
2411 Trust accounts permitted by this chapter shall not be required to
2412 be acknowledged and recorded. When an account is opened in a form
2413 described in this section, the right set forth in Section
2414 81-12-145 shall apply. No association paying any beneficiary in
2415 accordance with the provisions of this section shall thereby be
2416 liable for any estate, inheritance or succession taxes which may
2417 be due this state.

2418 SECTION 71. Section 81-12-141, Mississippi Code of 1972, is
2419 reenacted as follows:

2420 81-12-141. When an account is held in any association by a
2421 person residing in another state or country, the account, or any
2422 part thereof not in excess of Two Thousand Five Hundred Dollars
2423 (\$2,500.00), may be paid to the administrator or executor
2424 appointed in the state or country where the account holder resides
2425 at the time of death, provided such administrator or executor has
2426 furnished the association with (a) authenticated copies of his

2427 letters and of the order of the court which issued the letters to
2428 him authorizing him to collect, receive and remove the personal
2429 estate, and (b) an affidavit by the administrator or executor that
2430 to his knowledge no letters are then outstanding in this state and
2431 no petition for letters by an heir, legatee, devisee or creditor
2432 of the decedent is pending on the estate in this state, and that
2433 there are no creditors of the estate in this state. Upon payment
2434 or delivery to such representative after receipt of the affidavit
2435 and authenticated copies, the association is released and
2436 discharged to the same extent as if the payment or delivery had
2437 been made to a legally qualified resident executor or
2438 administrator, and is not required to see to the application or
2439 disposition of the property. No action at law or in equity shall
2440 be maintained against the association for payment made in
2441 accordance with the above provisions.

2442 SECTION 72. Section 81-12-143, Mississippi Code of 1972, is
2443 reenacted and amended as follows:

2444 81-12-143. Any association may pay to the successor of a
2445 deceased savings account holder, as defined in Section
2446 91-7-322(2), without necessity of administration, upon affidavit
2447 that the deceased died leaving no last will and testament and bond
2448 signed by each of the successors guaranteeing payment of any
2449 lawful debts of the deceased to the extent of that withdrawal, any
2450 sum in the decedent's account not in excess of Twelve Thousand
2451 Five Hundred Dollars (\$12,500.00), and the receipt of acquittance
2452 of the person or persons so paid shall be valid and sufficient
2453 release and discharge to the association as against all other
2454 persons and claimants for any payment so made; however, the bond
2455 shall be made available to any creditor for suit against the
2456 makers of the bond.

2457 SECTION 73. Section 81-12-145, Mississippi Code of 1972, is
2458 reenacted as follows:

2459 81-12-145. Accounts payable at death may be established
2460 under the following conditions:

2461 (a) An account in an association may be opened by any
2462 person or persons with directions to make such an account payable
2463 on the death of the person or persons opening such an account to
2464 the named beneficiary or beneficiaries. When an account is so
2465 opened, the association shall pay any monies to the credit of the
2466 account from time to time to, or pursuant to the order of the
2467 person or persons opening such an account during his or their
2468 lifetime in the same manner as if the account were in the sole
2469 name or names of such person or persons.

2470 (b) If the named beneficiary or one (1) of the
2471 beneficiaries so named survive the death of the person opening
2472 such an account and the beneficiary or all of the beneficiaries so
2473 named are sixteen (16) years of age or over at the death of the
2474 person opening such an account, the association shall pay the
2475 monies to the credit of the account, less all proper setoffs and
2476 charges, to the named beneficiary or beneficiaries or upon his or
2477 their order, as hereinafter provided, and such payment by the
2478 association shall be valid, notwithstanding any lack of legal age
2479 of the named beneficiary or beneficiaries; provided, however,
2480 where such an account is opened or subsequently held by more than
2481 one (1) person, the death of one (1) of such persons shall not
2482 terminate the account and the account shall continue as to the
2483 surviving person or persons and the named beneficiary or
2484 beneficiaries subject to the provisions of subsections (c) through
2485 (i) of this section.

2486 (c) If the named beneficiary or all of the
2487 beneficiaries so named survive the death of the person or persons
2488 opening such an account and are under sixteen (16) years of age at
2489 such time, the association shall pay the monies to the credit of
2490 the account, less all proper setoffs and charges:

2491 (i) When or after the named beneficiary becomes
2492 sixteen (16) years of age, to the named beneficiary or upon his
2493 order; or

2494 (ii) When more than one (1) beneficiary is named,
2495 the association shall pay to each beneficiary so named his
2496 proportionate interest in such account as each severally becomes
2497 sixteen (16) years of age; or

2498 (iii) To the legal guardian of the named
2499 beneficiary, wherever appointed and qualified, or where more than
2500 one (1) beneficiary is named, the association shall pay such
2501 beneficiary's proportionate interest in such account to his legal
2502 guardian wherever and whenever appointed and qualified; or

2503 (iv) In the event no guardian is appointed and
2504 qualified, payment may be made in accordance with the provisions
2505 of Section 93-13-211 et seq., in situations to which such section
2506 or sections are applicable.

2507 (d) Where the death of the person or persons opening
2508 such an account terminates the account under the provisions of
2509 subsections (b) and (c) of this section and where one or more of
2510 the named beneficiaries are under sixteen (16) years of age and
2511 the remainder of the named beneficiaries are sixteen (16) years of
2512 age or over, the association shall pay the monies to the credit of
2513 the trust, less all proper setoffs and charges, to:

2514 (i) The named beneficiaries sixteen (16) years of
2515 age or over at the time of termination of said account pursuant to
2516 subsection (b) of this section, and

2517 (ii) The named beneficiaries under sixteen (16)
2518 years of age at the time of termination of said account pursuant
2519 to subsection (c) of this section.

2520 (e) Where such account is opened or subsequently held
2521 by more than one (1) person, the association, in the absence of
2522 any written instructions to the contrary, consented to by the
2523 association, shall accept payments made to such account and may

2524 pay any monies to the credit of such account from time to time to,
2525 or pursuant to the order of, either or any of said persons during
2526 their life or lives in the same manner as if the account were in
2527 the sole name of either or any of such persons.

2528 (f) When a person or persons opens an account in an
2529 association, in the form set forth in subsection (a) of this
2530 section, and makes a payment or payments to such account, or
2531 causes a payment or payments to be made to such account, such
2532 person or persons shall be conclusively presumed to intend to vest
2533 in the named beneficiary or beneficiaries a present beneficial
2534 interest in such payment so made, and in the monies to the credit
2535 of the account from time to time, to the end that, if the named
2536 beneficiary or beneficiaries survive the person or persons opening
2537 such an account, all the right and title of the person or persons
2538 opening such an account in and to the monies to the credit of the
2539 account at the death of such person or persons, less all proper
2540 setoffs and charges, shall, at such death, vest solely and
2541 indefeasibly in the named beneficiary or beneficiaries subject to
2542 the conditions and limitations of subsections (c) through (i) of
2543 this section.

2544 (g) If the named beneficiary predeceases the person
2545 opening such an account, the present beneficial interest presumed
2546 to be vested in the named beneficiary pursuant to subsection (f)
2547 of this section shall terminate at the death of the named
2548 beneficiary. In such case, the personal representatives of the
2549 named beneficiary, and all others claiming through or under the
2550 named beneficiary, shall have no right in or title to the monies
2551 to the credit of the account, and the association shall pay such
2552 monies, less all proper setoffs and charges, to the person opening
2553 such an account, or pursuant to his order, in the same manner as
2554 if the account were in the sole name of the person opening such an
2555 account; provided, however, where such an account names more than
2556 one (1) beneficiary, the death of one (1) of the beneficiaries so

2557 named shall not terminate the account and the account shall
2558 continue as to the surviving beneficiary or beneficiaries subject
2559 to the provisions of subsections (c) through (i) of this section.

2560 (h) An association which makes any payment pursuant to
2561 subsections (c) through (g) of this section, prior to service upon
2562 the association or an order of court restraining such payment,
2563 shall, to the extent of each payment so made, be released from all
2564 claims of the person or persons opening such an account, the named
2565 beneficiary or beneficiaries, their legal representatives, and all
2566 others claiming through or under them.

2567 (i) When an account is opened in a form described in
2568 subsection (a) of this section, the right of the named beneficiary
2569 or beneficiaries to be vested with sole and indefeasible title to
2570 the monies to the credit of the account on the death of the person
2571 or persons opening such an account shall not be denied, abridged
2572 or in anywise affected because such right has not been created by
2573 a writing executed in accordance with the law of this state
2574 prescribing the requirements to effect a valid testamentary
2575 disposition of property.

2576 SECTION 74. Section 81-12-147, Mississippi Code of 1972, is
2577 reenacted as follows:

2578 81-12-147. (1) Administrators, executors, custodians,
2579 guardians, trustees, pension funds and other fiduciaries of every
2580 kind and nature, insurance companies, business and manufacturing
2581 companies, banks, credit unions and all other types of financial
2582 institutions, charitable, educational and eleemosynary
2583 institutions and organizations hereby are specifically authorized
2584 and empowered to invest funds held by them, without any order of
2585 any court, in savings accounts of associations which are under
2586 state supervision, and in accounts of insured associations, and
2587 such investments shall be deemed and held to be legal investments
2588 for such funds. With respect to investments by custodians,
2589 associations hereby are deemed to be qualified institutions within

2590 the meaning of that term as used in the Uniform Gifts to Minors
2591 Law of this state.

2592 (2) The provisions of this section are supplemental to any
2593 and all other laws relating to and declaring what shall be legal
2594 investments for the persons, fiduciaries, corporations,
2595 organizations and officials referred to in this section, and the
2596 laws relating to the deposit of securities and the making and
2597 filing of bonds for any purpose.

2598 SECTION 75. Section 81-12-149, Mississippi Code of 1972, is
2599 reenacted as follows:

2600 81-12-149. An association may pay earnings on its savings
2601 accounts from sources available for payment of earnings at such
2602 rate and at such times and for such time or notice periods as
2603 shall be determined by resolution of its board of directors
2604 subject to such rules and regulations promulgated by the
2605 commissioner. Except for accounts which shall be classified
2606 according to a specified contractual time or notice period,
2607 earnings shall be declared on the withdrawal value of each savings
2608 account at the beginning of the accounting period, plus additions
2609 thereto made during the period (less amounts previously withdrawn
2610 and noticed for withdrawal, which for earnings purposes shall be
2611 deducted from the latest previous additions thereto) computed at
2612 the declared rate for the time the funds have been invested, which
2613 time shall be fixed by the bylaws of the association. No earnings
2614 shall be declared or paid for an accounting period unless the
2615 allocation to the general reserve for the preceding accounting
2616 period required herein has been made. The board of directors, by
2617 resolution, may determine that earnings shall not be paid on any
2618 savings account which has a withdrawal value of a specified amount
2619 less than Fifty Dollars (\$50.00) or which by written agreement is
2620 intended to be closed within a specified period less than fifteen
2621 (15) months after the date on which such savings account is
2622 opened, provided that an exception may be made and earnings paid

2623 on savings accounts opened pursuant to Sections 81-12-129 and
2624 81-12-131. The directors shall determine by resolution the method
2625 of calculating the amount of any earnings on savings accounts as
2626 herein provided, and the time or times when earnings are to be
2627 declared, paid or credited.

2628 SECTION 76. Section 81-12-151, Mississippi Code of 1972, is
2629 reenacted as follows:

2630 81-12-151. Any savings account holder or other account
2631 holder or his authorized representative may at any time present a
2632 written application for withdrawal of all or any part of his
2633 savings account or other account. Every association shall pay,
2634 except as provided below, every withdrawal application in the
2635 amount stated thereon in the form of cash or one or more checks or
2636 similar instruments payable to the order of the account holder.
2637 However, if a federal savings and loan association located in this
2638 state acquires the right and power to pay withdrawal applications
2639 in the form of checks or similar instruments payable to the order
2640 of others than the account holder as directed, or by the transfer
2641 of credits to the account or accounts of others in an institution
2642 as directed, then an association incorporated pursuant to or
2643 operating under the provisions of this chapter may have and
2644 possess the same rights and powers if prescribed by the board
2645 pursuant to subsection (r) of Section 81-12-49. No withdrawal
2646 shall be made in excess of the withdrawal value of such savings
2647 account or accounts, together with any earnings which may have
2648 been declared and may have accrued thereon for the current period.
2649 The payment of withdrawals from savings accounts shall be subject
2650 to the right of the association to require notice not to exceed
2651 thirty (30) days and shall be subject to such rules and procedures
2652 as may be prescribed by regulations of the commissioner, but any
2653 association which, except as authorized in writing by the
2654 commissioner, fails to make full payment of any withdrawal when

2655 due shall be deemed to be in an impaired condition to transact
2656 business within the meaning of Section 81-12-183 of this chapter.

2657 SECTION 77. Section 81-12-153, Mississippi Code of 1972, is
2658 reenacted as follows:

2659 81-12-153. At any time funds are on hand for the purpose,
2660 the association shall have the right to redeem by lot as the board
2661 of directors may determine, all or any part of any of its savings
2662 accounts on an earnings date by giving thirty (30) days' notice by
2663 registered mail addressed to each affected account holder at his
2664 last address as recorded on the books of the association. No
2665 association shall redeem any of its savings accounts when the
2666 association is in an impaired condition or when it is unable to
2667 pay its applications for withdrawal. The redemption price of
2668 savings accounts redeemed shall be the full value of the account
2669 redeemed, as determined by the board of directors, but in no event
2670 shall the redemption price be less than the withdrawal value. If
2671 the aforesaid notice of redemption shall have been duly given, and
2672 if on or before the redemption date the funds necessary for such
2673 redemption shall have been set aside so as to be and continue to
2674 be available therefor, earnings upon the accounts called for
2675 redemption shall cease to accrue from and after the earnings date
2676 specified as the redemption date; and all rights with respect to
2677 such accounts shall forthwith, after such redemption date,
2678 terminate, except only for the right of the account holder of
2679 record to receive the redemption price with interest to the
2680 redemption date. All savings account books or certificates
2681 evidencing former savings accounts which have been validly called
2682 for redemption must be tendered for payment within ten (10) years
2683 from the date of redemption designated in the redemption notice,
2684 otherwise they shall be cancelled. After the expiration of the
2685 period of ten (10) years, the association in which the funds are
2686 located shall, within six (6) months, pay the funds to the

2687 commissioner, who shall deposit such funds to the department's
2688 account with the State Treasurer.

2689 SECTION 78. Section 81-12-155, Mississippi Code of 1972, is
2690 reenacted as follows:

2691 81-12-155. Associations shall have power to invest in
2692 securities as follows:

2693 (a) Without limit, in obligations of, or obligations
2694 which are fully guaranteed as to principal and interest by, the
2695 United States or this state; in stock or obligations of any
2696 federal home loan bank or banks; in stock or obligations of the
2697 Federal Deposit Insurance Corporation; in stock or obligations of
2698 the Federal National Mortgage Association, the Government National
2699 Mortgage Association, Federal Home Loan Mortgage Corporation, or
2700 any successor or successors thereto; in demand, time, or savings
2701 deposits, accounts or other obligations of any financial
2702 institution the accounts of which are insured by a federal agency;
2703 in bankers' acceptances which are eligible for purchase by Federal
2704 Reserve banks;

2705 (b) Not in excess of twenty-five percent (25%) of its
2706 assets in (i) bonds, notes or other evidences of indebtedness
2707 which are a general obligation of, or guaranteed as to principal
2708 and interest by, any agency or instrumentality of the United
2709 States not specified in subsection (a) or of this state, or any
2710 city, town, village, county, district or other municipal
2711 corporation or political subdivision of this state, or any public
2712 instrumentality or public authority of any one or more of the
2713 foregoing; (ii) capital stock, obligations, or other securities of
2714 service organizations, provided that the commissioner shall
2715 establish by regulation the permissible aggregate of such
2716 investments as a percentage of assets; and (iii) other stocks,
2717 securities and obligations which the board shall approve and place
2718 on a list to be published and distributed to every association
2719 from time to time, and the commissioner is directed to publish and

2720 make distribution of such a list. An association holding
2721 investments which are so listed by the commissioner shall have a
2722 reasonable time to dispose of the same if at a later time the
2723 commissioner shall remove such investments from the list.

2724 SECTION 79. Section 81-12-157, Mississippi Code of 1972, is
2725 reenacted as follows:

2726 81-12-157. No association shall invest in any security,
2727 other than those that qualify as liquid assets, or in any loan at
2728 any time when its liquid assets are less than five percent (5%) of
2729 its savings liability unless the commissioner shall after
2730 investigation have issued written approval.

2731 SECTION 80. Section 81-12-159, Mississippi Code of 1972, is
2732 reenacted as follows:

2733 81-12-159. Every association shall have power to invest in
2734 loans and other investments as follows:

2735 (a) Loans secured by its savings accounts to the extent
2736 of the withdrawal value thereof;

2737 (b) Real estate loans in any amount not exceeding the
2738 value of the security, subject to the following conditions:

2739 (i) No association shall make a real estate loan
2740 to one (1) borrower if the sum of (1) the amount of such loan, and
2741 (2) the total balances of all outstanding loans owed to such
2742 association by such borrower, excluding the amount of any loan on
2743 the security of a savings account, exceeds an amount equal to ten
2744 percent (10%) of such association's savings liability or an amount
2745 equal to the sum of such association's net worth except that any
2746 such loan may be made if the sum of (1) and (2) does not exceed
2747 One Hundred Thousand Dollars (\$100,000.00);

2748 (ii) An association may (1) participate with one
2749 or more financial institutions, or entities having a tax exemption
2750 under Section 501(a) of the Internal Revenue Code, in any real
2751 estate loan of the type in which such association is authorized to
2752 invest on its own account, provided that the participating

2753 interest of such association is not subordinated or inferior to
2754 any other participating interest; or (2) participate in such real
2755 estate loans with other than financial institutions or those
2756 entities described, provided that the participating interest of
2757 such association is superior to the participating interests of
2758 such other participants;

2759 (iii) Such restrictions on real estate loans on
2760 real estate located outside the primary lending area of an
2761 association and on real estate loans as the commissioner may
2762 establish by regulation;

2763 (iv) Such other restrictions as the commissioner
2764 may establish;

2765 (c) Loans secured by the pledge of loans or
2766 investments, the assignment of which need not be recorded, of a
2767 type in which the association is authorized to invest, provided
2768 that the loans and investments so pledged shall be subject to all
2769 restrictions and requirements which would be applicable were the
2770 association to invest directly in such loans or investments;

2771 (d) Loans secured by the pledge of policies of life
2772 insurance, the assignment of which is properly acknowledged by the
2773 insured, but not exceeding the cash value of such policies;

2774 (e) Property improvement loans made pursuant to the
2775 provisions of any title of the National Housing Act or subject to
2776 any limitation as to maximum loan amount prescribed by the
2777 commissioner for all associations, loans to homeowners and other
2778 property owners for the construction, maintenance, repair,
2779 alteration, modernization, landscaping, improvement, furnishing or
2780 equipping of properties pursuant to rules and regulations
2781 prescribed by the commissioner;

2782 (f) Loans made for the purpose of mobile home
2783 financing, subject to any limitation as to maximum loan amount
2784 which may be prescribed by the commissioner for all associations.

2785 For the purpose of this subsection, "mobile home" shall mean a
2786 movable accommodation used or designed for use as living quarters;

2787 (g) Such real property or interests therein, including
2788 real estate for home or branch offices, as the directors may deem
2789 necessary or convenient for the conduct of the business of the
2790 association, which for the purposes of this chapter shall be
2791 deemed to include the ownership of stock of a wholly owned
2792 subsidiary corporation having as its exclusive activity the
2793 ownership and management of such property or interests, but the
2794 amount so invested shall not exceed the net worth of the
2795 association, provided that the commissioner may authorize a
2796 greater amount to be so invested.

2797 SECTION 81. Section 81-12-161, Mississippi Code of 1972, is
2798 reenacted as follows:

2799 81-12-161. Real estate loans eligible for investment by an
2800 association under this chapter shall be written upon loan plans
2801 approved by the commissioner, which shall include provisions for
2802 appraisals, payments, evidences of the loans, and security
2803 instruments, and may include provisions concerning liens, payments
2804 of taxes and insurance premiums and similar charges, and advance
2805 payments of taxes and insurance premiums and similar charges.

2806 SECTION 82. Section 81-12-163, Mississippi Code of 1972, is
2807 reenacted as follows:

2808 81-12-163. In connection with a loan, the borrower may be
2809 required to pay an attorney of his choice for services performed
2810 in connection with the loan; the borrower shall not be required to
2811 pay any attorney's fee to any attorney not selected by the
2812 borrower; and the borrower shall have the right to obtain at his
2813 own expense, if such insurance would be required by the lender,
2814 fire and casualty insurance on the property offered as security,
2815 or credit life insurance, from an insurance agent of the
2816 borrower's choice. The commissioner is empowered to promulgate
2817 rules and regulations governing the filing and maintenance by the

2818 borrower with the association of fire and casualty insurance on
2819 the property offered as security, and title insurance. But the
2820 commissioner shall not authorize title insurance in any company
2821 that is not authorized to do business in the State of Mississippi.

2822 SECTION 83. Section 81-12-165, Mississippi Code of 1972, is
2823 reenacted as follows:

2824 81-12-165. Every association may require borrowers to pay
2825 all reasonable expenses incurred in connection with the making,
2826 closing, disbursing, extending, readjusting or renewing of real
2827 estate loans as shall be authorized by the commissioner. If an
2828 attorney's fee is charged the borrower in connection with any
2829 loan, the borrower shall have the right to select an attorney of
2830 his choice to close the loan and to look after his interests in
2831 connection with the loan and the fee shall be paid to the attorney
2832 selected. It is the intention of the Legislature to insure that
2833 the borrower shall not be required to pay any attorney's fee to
2834 any attorney other than the attorney selected by the borrower to
2835 close the loan. The borrower shall be advised by the association
2836 in writing of his right to select an attorney, provided that such
2837 attorney is on an approved list of a title insurance company
2838 acceptable to the association, and authorized to do business in
2839 the State of Mississippi. Title insurance is used herein as a
2840 criterion for qualifications of attorneys only, and nothing in
2841 this chapter shall be construed as requiring any association to
2842 require a borrower to secure a title insurance policy in addition
2843 to the regular attorney's certification of title. However, an
2844 association may, if it desires, require title insurance policies
2845 on loans, but if policies are required from one (1) attorney they
2846 shall be required from all attorneys used in connection with loans
2847 under this section. No association shall discriminate as to any
2848 charges, fees or discounts, or make any different charges
2849 whatsoever between loans closed by an attorney selected or
2850 recommended by, or representing the association and loans closed

2851 by an attorney selected by the borrower under the provisions of
2852 this subsection. It is the intent of the Legislature that
2853 borrowers shall be free to select attorneys of their choice to
2854 close all loans under the authority of this paragraph, without
2855 incurring any additional charge or expense whatsoever. The
2856 commissioner shall have the authority to adopt reasonable rules
2857 and regulations to promulgate the provisions of this subsection.
2858 Any association, or any officer or employee of any such
2859 association willfully violating the provisions of this subsection
2860 shall be guilty of a misdemeanor and, upon conviction thereof,
2861 shall be fined not less than One Hundred Dollars (\$100.00) nor
2862 more than Five Hundred Dollars (\$500.00).

2863 SECTION 84. Section 81-12-167, Mississippi Code of 1972, is
2864 reenacted as follows:

2865 81-12-167. A late payment charge, not exceeding Five Dollars
2866 (\$5.00) or four percent (4%) of the amount of any delinquency,
2867 whichever is greater, if contracted for, shall not be considered
2868 interest under the usury laws. However, no such charge shall be
2869 made unless such delinquency is more than fifteen (15) days past
2870 due.

2871 SECTION 85. Section 81-12-169, Mississippi Code of 1972, is
2872 reenacted as follows:

2873 81-12-169. The directors of an association may, at any time
2874 before an actual sale of property on a foreclosure proceeding
2875 previously instituted by the association, reinstate a loan and any
2876 savings account securing the same. The effect of such
2877 reinstatement shall be to place the association, the borrower, and
2878 any other interested person in the same legal position as if no
2879 action had been taken, looking to such foreclosure.

2880 SECTION 86. Section 81-12-171, Mississippi Code of 1972, is
2881 reenacted as follows:

2882 81-12-171. In the case of any investment made by an
2883 association in a real estate loan where the ownership of the real

2884 estate security or any part thereof later becomes vested in a
2885 person other than the party or parties originally executing the
2886 security instruments, unless there is an agreement in writing to
2887 the contrary, an association may, without notice to such party or
2888 parties, deal with such successor or successors in interest with
2889 reference to said mortgage and the debt thereby secured in the
2890 same manner as with such party or parties, and may forbear to sue
2891 or may extend time for payment of or otherwise modify the terms of
2892 the debt secured thereby, without discharging or in any way
2893 affecting the liability of such original party or parties
2894 thereunder or upon the debt thereby secured.

2895 SECTION 87. Section 81-12-173, Mississippi Code of 1972, is
2896 reenacted as follows:

2897 81-12-173. An association, with the approval of the
2898 commissioner, may operate a business, manage or deal in property,
2899 or take any other action over whatever period of time may
2900 reasonably be necessary to avoid loss on a loan or investment
2901 theretofore made or an obligation created in good faith.

2902 SECTION 88. Section 81-12-175, Mississippi Code of 1972, is
2903 reenacted as follows:

2904 81-12-175. (1) A branch office is a legally established
2905 place of business of the association other than the home office,
2906 authorized by the board of directors and approved as provided
2907 herein, at which savings accounts and loan payments may be
2908 accepted and applications for loans may be received, and at which
2909 account books and certificates may be issued and loans may be
2910 closed by employees of the association.

2911 (2) Each association shall be operated from the home office.
2912 All branch offices shall be subject to direction from the home
2913 office.

2914 (3) No association may establish or operate a branch office
2915 without authorization of the commissioner. Each application for
2916 approval of the establishment and operation of a branch office

2917 shall state the proposed location thereof, the need therefor, the
2918 functions to be performed therein, the estimated volume of
2919 business thereof, the estimated annual expense thereof and the
2920 mode of payment therefor, and shall be accompanied by a budget of
2921 the association for the current earnings period and for the next
2922 succeeding semiannual period, which reflects the estimated
2923 additional expense of the maintenance of such a branch office. A
2924 resolution adopted by the board of directors of the association
2925 authorizing the proposed branch office and specifying the location
2926 and manner in which the branch office will be financed shall be
2927 submitted with each application. The commissioner may, by
2928 regulation, require the application to state other relevant and
2929 necessary information. Applications shall be made to the
2930 commissioner; and, upon receipt, he shall make an investigation to
2931 determine whether the establishment and maintenance of such office
2932 will unduly injure any properly conducted existing association or
2933 federal association in the community where such branch office is
2934 proposed to be established. The provisions of Section 81-12-29 of
2935 this chapter shall be followed in processing such application,
2936 except that the hearing shall be before the commissioner instead
2937 of the board.

2938 (4) No association may change the location of a branch
2939 office to a municipality other than that in which it is located
2940 without authorization of the commissioner. Each application for
2941 approval of change of location of a branch office to another
2942 municipality shall state the proposed location thereof, the need
2943 therefor, the functions to be performed therein, the estimated
2944 volume of business thereof, the estimated annual expense thereof,
2945 and the mode of payment therefor, and shall be accompanied by a
2946 budget of the association for the current earnings period and for
2947 the next succeeding semiannual period, which reflects the
2948 estimated additional expense of the maintenance of such proposed
2949 change of location of the branch office. A resolution adopted by

2950 the board of directors of the association authorizing the proposed
2951 change of location of the branch office to another municipality
2952 and specifying the location and proposed manner in which such
2953 branch office will be financed shall be submitted with each
2954 application. The commissioner may, by regulation, require the
2955 application to state other relevant and necessary information.
2956 Applications shall be made to the commissioner; and, upon receipt,
2957 he shall make an investigation to determine whether the
2958 establishment and maintenance of such office will unduly injure
2959 any properly conducted existing association or federal association
2960 in the community to which the location of such branch office is
2961 proposed to be changed. The provisions of Section 81-12-29 shall
2962 be followed in processing such applications, except that the
2963 hearing shall be before the commissioner instead of the board.

2964 (5) No association may change the location of a branch
2965 office to another location in the same municipality without
2966 authorization by the commissioner. The commissioner shall
2967 prescribe the form of the application, prerequisites and
2968 requirements. Notice of such proposed change of location shall be
2969 given as provided in Section 81-12-29(1). If no protests are
2970 filed after such notice, the commissioner may approve such
2971 application if it meets the established prerequisites and
2972 requirements. If protests are filed, the commissioner, upon
2973 reasonable notice to the applying association and its attorney and
2974 to the protestants and their attorneys, shall hold a hearing and,
2975 based upon his written findings at such hearing, issue a
2976 certificate of approval or disapproval.

2977 (6) No branch office in this state may be discontinued or
2978 abandoned without the consent in writing of the commissioner first
2979 obtained.

2980 SECTION 89. Section 81-12-176, Mississippi Code of 1972, is
2981 reenacted as follows:

2982 81-12-176. No association shall, without authorization by
2983 the commissioner, establish a savings branch office, loan branch
2984 office or a loan processing office. The commissioner shall
2985 prescribe the form of the application, prerequisites and
2986 requirements for the above types of offices. If no protest is
2987 filed after notice has been given as provided in Section
2988 81-12-29(1), the commissioner may approve the application for the
2989 above-described limited service branch offices if the established
2990 prerequisites and requirements are met. If protests are filed,
2991 the commissioner, upon reasonable notice to the applying
2992 association and its attorney and to the protestants and their
2993 attorneys, shall hold a hearing and, based upon his written
2994 findings at such hearing, issue a certificate of approval or
2995 disapproval.

2996 SECTION 90. Section 81-12-177, Mississippi Code of 1972, is
2997 reenacted as follows:

2998 81-12-177. (1) On or before the forty-fifth day after the
2999 end of an association's annual accounting period, every
3000 association shall make an annual written report to the
3001 commissioner, upon a form to be prescribed and/or furnished by the
3002 commissioner, of its affairs and operations, which shall include a
3003 complete statement of its financial condition, including a
3004 statement of income and expense since its last previous similar
3005 report, for the twelve (12) months ending on the last day of its
3006 accounting period of the previous year. This report shall include
3007 a statement of full compliance with this chapter, and such other
3008 information as the commissioner shall direct. Every such report
3009 shall be verified by the president, managing officer or any other
3010 officer designated by the commissioner.

3011 (2) Every association also shall make such other reports as
3012 the commissioner may from time to time require, which shall be in
3013 such form and filed on such date as he may prescribe and shall be
3014 verified in the same manner as the annual report.

3015 (3) The commissioner shall require that every association
3016 have its affairs examined and be audited at least once a year.
3017 The commissioner shall review such examination and audit within a
3018 reasonable time after their completion.

3019 (4) The commissioner shall accept any examination made or
3020 any audit caused to be made by a federal home loan bank, the
3021 appropriate federal regulatory authority, or by the Federal
3022 Deposit Insurance Corporation.

3023 (5) The commissioner may, without previous notice, examine
3024 or cause an examination to be made into the affairs of an
3025 association.

3026 (6) Whenever, in the judgment of the commissioner, the
3027 condition of any association renders it necessary or expedient to
3028 make any extra examination or audit or to devote any extraordinary
3029 attention to its affairs, the commissioner shall cause the same to
3030 be done. A full and complete copy of the report of all
3031 examinations and audits shall be furnished to the association
3032 examined. Such report of examination or audit shall be presented
3033 by the president to the board of directors at its next regular or
3034 special meeting.

3035 (7) The commissioner is authorized in connection with any
3036 examination or audit of any association to cause to be made
3037 appraisals of real estate held by the association or securing the
3038 association's assets when specific facts or information with
3039 respect to real estate held, secured loans or lending, or when in
3040 his opinion the association's policies, practices, operating
3041 results and trends give evidence that an association's appraisals
3042 may be excessive, that lending or investment may be of a marginal
3043 nature, that appraisal policies and practices may not conform with
3044 generally accepted and established professional standards, or that
3045 real estate held by the association or assets secured by real
3046 estate are overvalued. In lieu of causing such appraisals to be
3047 made, the commissioner may accept any appraisal caused to be made

3048 by a federal home loan bank, the appropriate federal regulatory
3049 authority, or by the Federal Deposit Insurance Corporation.
3050 Unless otherwise ordered by the commissioner, appraisal of real
3051 estate in connection with any examination or audit pursuant to
3052 this section shall be made by a professional appraiser or
3053 appraisers selected by the commissioner, and the cost of such
3054 appraisal promptly shall be paid by such association directly to
3055 such appraiser or appraisers, upon receipt by the association of a
3056 statement of such cost bearing the written approval of the
3057 commissioner. A copy of the report of such appraisal caused to be
3058 made by the commissioner, pursuant to this subsection, shall be
3059 furnished to the association within a reasonable time, not to
3060 exceed sixty (60) days following the completion of such
3061 appraisals, and may be furnished to the insuring agency.

3062 (8) The commissioner or his examiners or auditors shall have
3063 free access to all books and papers of an association, a holding
3064 company of an association, or a service organization, the
3065 principal office of which is located in this state and which is
3066 principally owned by one or more thrift institutions, which relate
3067 to its business and books and papers kept by any officer, agent or
3068 employee, relating to or upon which any record of its business is
3069 kept, and may summon witnesses and administer oaths or
3070 affirmations in the examination of the directors, officers, agents
3071 or employees of any such association, service organization or any
3072 other person in relation to its affairs, transactions and
3073 conditions, and may require and compel the production of records,
3074 books, papers, contracts or other documents by court order, if not
3075 voluntarily produced.

3076 SECTION 91. Section 81-12-178, Mississippi Code of 1972, is
3077 reenacted as follows:

3078 81-12-178. (1) The commissioner shall obtain each year from
3079 the appropriate federal financial supervisory agency or agencies
3080 the public sections of the written evaluations prepared pursuant

3081 to 12 USCS Section 2906 of the Community Reinvestment Act, as
3082 amended (12 USCS Section 2901 et seq.), of each state savings
3083 association, savings bank, and savings and loan association and
3084 each federal savings and loan association located in Mississippi,
3085 and each savings and loan holding company that controls any
3086 savings association, savings bank or savings and loan association
3087 located in Mississippi. Once each year, the commissioner shall
3088 publish in some newspaper having a general circulation in the
3089 state a statement that the public section of the written
3090 evaluation prepared pursuant to 12 USCS Section 2906 of the
3091 Community Reinvestment Act, as amended (12 USCS Section 2901 et
3092 seq.), of each such savings association, savings bank, savings and
3093 loan association and savings and loan holding company is
3094 maintained in the office of the commissioner and will be made
3095 available for inspection to any person upon request during
3096 business hours, and that copies of all or part of any evaluation
3097 will be furnished to any person upon request for a reasonable
3098 copying fee prescribed by the commissioner.

3099 (2) For the purposes of this section, the term "appropriate
3100 federal financial supervisory agency" shall have the same meaning
3101 as the definition in 12 USCS Section 2902.

3102 SECTION 92. Section 81-12-179, Mississippi Code of 1972, is
3103 reenacted as follows:

3104 81-12-179. If the commissioner, as a result of any
3105 examination or from any report made to him, shall find that any
3106 association is violating the provisions of its certificate of
3107 incorporation or bylaws, or the laws of this state or of the
3108 United States, or any lawful order or regulation of the
3109 commissioner, he shall, by a formal written order delivered to the
3110 association as aforesaid, state any alleged violation, together
3111 with a statement of the facts alleged to be such violation, and
3112 order discontinuance of such violation and conformance with all
3113 requirements of law. Such order shall specify the effective date

3114 thereof, which may be immediate or may be at a later date, and
3115 such order shall remain in effect until withdrawn by the
3116 commissioner or until terminated by a court order. Such order of
3117 the commissioner, upon application made on or after the effective
3118 date thereof by the commissioner to the chancery court in the
3119 county in which the home office of the association is located,
3120 shall be enforced ex parte and without notice by an order to
3121 comply entered by the court. Such proceedings shall be given
3122 precedence over all cases pending in such court, and shall in
3123 every way be expedited. Any association affected by such order of
3124 the commissioner shall, after receipt thereof, have the right to
3125 apply within thirty (30) days to any such court for an immediate
3126 hearing and order suspending the order of the commissioner upon
3127 such conditions as may be prescribed by the court until such time
3128 as the hearing has been completed. The hearing of such
3129 application to the court shall be upon such notice to the
3130 commissioner as the court shall provide. Whether upon application
3131 by the commissioner or by the association, such court shall have
3132 power to and shall adjudicate the question and enter the proper
3133 order or orders and enforce the same.

3134 SECTION 93. Section 81-12-181, Mississippi Code of 1972, is
3135 reenacted as follows:

3136 81-12-181. (1) If the commissioner, as a result of any
3137 examination or from any report made to him, believes that the
3138 public interest may be served by the appointment of a conservator,
3139 and if he shall find that: (a) the capital of an association is
3140 impaired, or (b) the association is concealing any assets, books
3141 or records, or (c) the members of such association are in actual
3142 danger of loss due to mismanagement, misappropriation of funds,
3143 fraud, violation of this chapter, or violation of any lawful rule
3144 of the commissioner, or (d) any association is in violation of an
3145 order or injunction, as authorized by this section, which has
3146 become final in that time to appeal has expired without appeal or

3147 a final order entered from which there can be no appeal, the
3148 commissioner may appoint a conservator for such association, which
3149 may be the commissioner or any other person, and upon such
3150 appointment shall apply immediately to the chancery court in the
3151 county in which the home office of the association is located for
3152 confirmation of such appointment, and such court shall have
3153 exclusive jurisdiction to determine the issues and all related
3154 matters. Such proceedings shall be given precedence over other
3155 cases pending in such court, and shall in every way be expedited.
3156 Such court shall confirm such appointment if it shall find that
3157 one or more of such grounds exist, and a certified copy of the
3158 order of the court confirming such appointment shall be evidence
3159 thereof. Such conservator shall have the power and authority
3160 provided in this chapter and such other power and authority as may
3161 be expressed in the order of the court. Such conservator shall
3162 endeavor promptly to remedy the situations complained of by the
3163 commissioner in his application for confirmation of such
3164 appointment. Within six (6) months of the date of such
3165 appointment, or within twelve (12) months if the court shall
3166 extend such period of six (6) months, such association shall be
3167 returned to the board of directors thereof and thereafter shall be
3168 managed and operated as if no conservator had been appointed, or a
3169 receiver shall be appointed as hereinafter provided. If the
3170 commissioner or examiner is appointed conservator, he shall
3171 receive no additional compensation, but if another person is
3172 appointed, then the compensation of the conservator, as determined
3173 by the court, shall be paid by the association. A certified copy
3174 of the order of the court discharging such conservator and
3175 returning such association to the directors thereof shall be
3176 sufficient evidence thereof.

3177 (2) Any conservator appointed shall have all the rights,
3178 powers and privileges possessed by the officers, board of
3179 directors and members of the association and shall have the power,

3180 with the approval of the court, to limit or condition withdrawals
3181 from the association and to effectuate a system for payment of
3182 withdrawals.

3183 (3) The directors and officers shall remain in office and
3184 the employees shall remain in their respective positions, but the
3185 conservator may remove any director, officer or employee, provided
3186 the order of removal of a director or officer shall be approved in
3187 writing by the commissioner.

3188 (4) While the association is in the charge of a conservator,
3189 members or borrowers of such association shall continue to make
3190 payments to the association in accordance with the terms and
3191 conditions of their contracts, and the conservator, in his
3192 discretion, may permit savings account members or savings account
3193 holders to withdraw their accounts from the association pursuant
3194 to the provisions of this chapter. The conservator shall have
3195 power to accept savings accounts and additions to savings
3196 accounts, but any such amounts received by the conservator may be
3197 segregated if the commissioner shall so order in writing; if so
3198 ordered, such amounts shall not be subject to offset and shall not
3199 be used to liquidate any indebtedness of such association existing
3200 at the time the conservator was appointed for it or any subsequent
3201 indebtedness incurred for the purposes of liquidating the
3202 indebtedness of any such association existing at the time such
3203 conservator was appointed. All expenses of the association during
3204 such conservatorship shall be paid by the association.

3205 SECTION 94. Section 81-12-183, Mississippi Code of 1972, is
3206 reenacted as follows:

3207 81-12-183. (1) If the commissioner shall find that: (a)
3208 the capital of an association is impaired, or (b) the association
3209 is concealing any assets, books or records, or (c) the members of
3210 such association are in actual danger of loss due to
3211 mismanagement, misappropriation of funds, fraud, violation of this
3212 chapter, or violation of any lawful rule of the commissioner, or

3213 (d) any association is in violation of an order or injunction, as
3214 provided in Section 81-12-181 or Section 81-12-183, which has
3215 become final in that the time to appeal has expired without appeal
3216 or a final order entered from which there can be no appeal, the
3217 commissioner may apply immediately to the chancery court in the
3218 county in which the home office of the association is located for
3219 appointment of a receiver for such association, and such court
3220 shall have exclusive jurisdiction to determine the issues and all
3221 related matters. The commissioner shall suggest a person for such
3222 appointment who may be the commissioner. Such proceedings shall
3223 be given precedence over other cases pending in such court, and
3224 shall in every way be expedited. Such court shall make such
3225 appointment if it shall find that one or more such grounds exist,
3226 and a certified copy of the order of the court confirming such
3227 appointment shall be evidence thereof. Such receiver shall have
3228 all the powers and authority of a conservator plus the power to
3229 liquidate, and shall have such other powers and authority as may
3230 be expressed in the order of the court. If the commissioner or
3231 examiner is appointed receiver, he shall receive no additional
3232 compensation, but if another person is appointed, then the
3233 compensation of the receiver, as determined by the court, shall be
3234 paid from the assets of the association.

3235 (2) The Federal Deposit Insurance Corporation shall be
3236 tendered appointment as receiver. If it accepts such appointment,
3237 it may, nevertheless, make loans on the security of or purchase at
3238 public or private sale any part or all of the assets of the
3239 association of which it is receiver, provided such loan or
3240 purchase is approved by such court.

3241 (3) The procedure in such receivership action shall be in
3242 all other respects in accordance with the practice of such court,
3243 including all rights of appeal and review. The directors,
3244 officers and attorneys of an association in office at the time of
3245 the initiation of any proceeding under this or the preceding

3246 section are expressly authorized to contest any such proceeding
3247 and shall in the discretion of the court be reimbursed for
3248 reasonable expenses and attorney's fees by the association or from
3249 its assets. Any court having any such proceeding before it shall
3250 in its discretion allow and order paid reasonable expenses and
3251 attorney's fees for such directors, officers and attorneys. The
3252 charter of any association which is liquidated by a receiver shall
3253 be surrendered to the commissioner on the completion of such
3254 liquidation and cancelled by him.

3255 SECTION 95. Section 81-12-184, Mississippi Code of 1972, is
3256 reenacted as follows:

3257 81-12-184. If it appears to the commissioner that it is in
3258 the best interest of the depositors of an association, the general
3259 public, and the savings association industry within this state,
3260 the commissioner is hereby granted the authority to allow a
3261 supervisory merger of an association into another association in
3262 lieu of appointing a conservator or a receiver under the
3263 provisions of Section 81-12-181 or 81-12-183, provided the board
3264 of directors of each association has adopted a voluntary consent
3265 resolution authorizing a supervisory merger. The commissioner
3266 shall coordinate the supervisory merger with the appropriate
3267 federal regulatory authority.

3268 SECTION 96. Section 81-12-185, Mississippi Code of 1972, is
3269 reenacted as follows:

3270 81-12-185. No appointment of a conservator shall be
3271 confirmed, and no receiver shall be appointed or private property
3272 seized, with respect to an association which is not in an impaired
3273 condition, unless the court finds that the alleged wrongdoing
3274 cannot be reasonably corrected as provided in this chapter or
3275 otherwise as provided by law without appointment of a conservator
3276 or receiver.

3277 SECTION 97. Section 81-12-187, Mississippi Code of 1972, is
3278 reenacted as follows:

3279 81-12-187. (1) For the purposes of this section, the term
3280 "foreign association" shall include any person, firm, company,
3281 association, fiduciary, partnership or corporation, by whatever
3282 name called, actually engaged in the business of an association,
3283 which is not organized under the provisions of this chapter or the
3284 laws of the United States as now or hereafter amended, the
3285 principal business office of which is located outside the
3286 territorial limits of this state.

3287 (2) No foreign association shall do any business of an
3288 association within this state or maintain an office in this state
3289 for the purpose of doing such business unless an application is
3290 made and approval granted as provided herein for the charter of
3291 domestic associations. No foreign association shall be granted
3292 permission to do business in this state, except upon the same
3293 terms, provisions, requirements and conditions as the laws of the
3294 state in which the foreign association is incorporated require of
3295 a Mississippi association desiring to do business under the laws
3296 of the state in which such foreign corporation is organized and
3297 created.

3298 (3) The commissioner shall conduct a complete investigation
3299 of the applicant at its expense.

3300 (4) The commissioner shall examine and supervise all foreign
3301 associations doing any such business in this state in the same
3302 manner as he examines and supervises associations of this state,
3303 and they shall pay the supervision and examination fee imposed by
3304 Section 81-12-193, plus any additional costs as determined by the
3305 commissioner. The commissioner in his discretion may rely upon
3306 such official examinations, public and private audits, and copies
3307 of reports which are supplied to him.

3308 (5) The commissioner hereby is authorized, empowered and
3309 directed to obtain an injunction or to take any other action
3310 necessary to prevent any foreign association from doing any
3311 business of an association in this state without approval.

3312 SECTION 98. Section 81-12-189, Mississippi Code of 1972, is
3313 reenacted as follows:

3314 81-12-189. (1) For the purposes of Section 81-12-187 and
3315 this section and any other law of this state prohibiting,
3316 limiting, regulating, charging or taxing the doing of business in
3317 this state by foreign associations or foreign corporations of any
3318 type, any federal association the principal office of which is
3319 located outside this state, and any foreign association which is
3320 located outside this state, and any foreign association which is
3321 subject to state or federal supervision, or both, which by law is
3322 subject to periodic examination by such supervisory authority and
3323 to a requirement of periodic audit, shall not be considered to be
3324 doing business in this state, nor shall any of its intangible
3325 properties be deemed to have a business, commercial or actual
3326 situs in this state by reason of engaging in any of the following
3327 activities:

3328 (a) The purchase, acquisition, holding, sale,
3329 assignment, transfer, collecting and enforcement of obligations or
3330 any interest therein secured by real estate mortgages or other
3331 instruments in the nature of a mortgage, covering real property
3332 located in this state, or the foreclosure of such instruments, or
3333 the acquisition of title to such property by foreclosure, or
3334 otherwise, as a result of default under such instruments, or the
3335 holding, protection, rental, maintenance and operation of said
3336 property so acquired, or the disposition thereof.

3337 (b) The advertising or solicitation of savings
3338 accounts, or the making of any representations with respect
3339 thereto in this state through the media of the mail, radio,
3340 television, magazines, newspapers or any other media which are
3341 published or circulated within this state, provided that such
3342 advertising, soliciting or the making of such representations
3343 shall be accurately descriptive of the fact and shall conform to
3344 the limitations set forth in this chapter regarding associations.

3345 (c) The purchase of a participating interest in loans
3346 of associations, subject to such regulations as the commissioner
3347 may adopt.

3348 (2) Any foreign association or federal association described
3349 in subsection (1) which engages in any of the activities described
3350 in paragraph (a) thereof pursuant to the provisions of this
3351 section shall in any connection therewith be subject to suit in
3352 the courts of this state by this state and the citizens of this
3353 state, and service on such association shall be effected by
3354 serving the Secretary of State of this state, provided that the
3355 provisions of this section shall have no other application to the
3356 question of whether any foreign association or federal association
3357 is subject to service of process and suit in this state as a
3358 result of the transaction of business or other activities in this
3359 state.

3360 SECTION 99. Section 81-12-191, Mississippi Code of 1972, is
3361 reenacted as follows:

3362 81-12-191. Federal savings associations or federal savings
3363 and loan associations, domiciled in the State of Mississippi,
3364 incorporated pursuant to the laws of the United States, as now or
3365 hereafter amended, are not foreign corporations or foreign
3366 associations. Unless otherwise restricted by laws of the United
3367 States, the depositors, members and stockholders of federal
3368 associations shall possess all of the rights, privileges and
3369 benefits, duties and obligations that are now or may hereafter be
3370 provided by the laws of this state for depositors, members and
3371 stockholders of associations organized under the laws of this
3372 state; unless otherwise restricted by the laws of the United
3373 States, federal associations shall possess all of the benefits,
3374 immunities, exemptions, duties and obligations that are now or may
3375 hereafter be provided by the laws of this state for associations
3376 organized under the laws of this state. This provision is
3377 additional and supplemental to any provision which, by specific

3378 reference, is applicable to federal associations and the members
3379 thereof.

3380 SECTION 100. Section 81-12-193, Mississippi Code of 1972, is
3381 reenacted as follows:

3382 81-12-193. The department shall charge and collect for:

3383 (a) Filing articles of incorporation and issuing a
3384 certificate of incorporation, a minimum fee of Five Hundred
3385 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred
3386 Dollars (\$2,500.00) as fixed by the commissioner.

3387 (b) For filing annual reports, the commissioner shall
3388 assess every association organized under the laws of this state
3389 engaging in the business of an association, and every foreign
3390 association qualified to do business in this state under the
3391 provisions of Section 81-12-187, in accordance with the following
3392 schedule, setting forth the maximum that may be assessed:

3393 (i) Seventy-five Dollars (\$75.00).

3394 (ii) Every such association whose total assets
3395 exceed One Hundred Thousand Dollars (\$100,000.00) shall further
3396 pay in addition to the minimum assessment of Seventy-five Dollars
3397 (\$75.00), Fifty Cents (50¢) for each One Thousand Dollars
3398 (\$1,000.00) or fraction thereof of assets in excess of One Hundred
3399 Thousand Dollars (\$100,000.00). All money accruing from such
3400 assessment shall be used for the maintenance of the department.

3401 (iii) The commissioner shall, during the month of
3402 January in each year, or as soon thereafter as practicable,
3403 prepare and send to each association a statement of the
3404 assessments due under this section, based upon the total assets of
3405 each association as of December 31 of the preceding year. The
3406 assessment shall be payable in accordance with the statement so
3407 furnished and shall be paid within ten (10) days after the date
3408 fixed for their payment. Such assessment shall constitute a lien
3409 on the assets of each association until paid. Any association
3410 failing to make payment of an installment within ten (10) days as

3411 provided in this section shall be liable for a penalty of ten
3412 percent (10%) of the amount in default for each day thereafter.
3413 All assessments and penalties provided in this section shall be
3414 payable as set forth in this section, and when collected by the
3415 commissioner shall be delivered to the State Treasurer to be
3416 placed to the credit of the account of the department.

3417 (iv) If it appears to the commissioner that the
3418 fees assessed under this section shall produce more than the
3419 requirements of the estimated operating budget approved for the
3420 department for the ensuing assessment period, the commissioner
3421 shall authorize a uniform percentage reduction to be applied to
3422 the fees to be paid by the individual associations.

3423 (v) Associations organized and in existence as of
3424 June 30, 1994, shall not be billed or liable for the annual report
3425 assessment due for the close of this period only. The next annual
3426 report assessment shall be due based upon assets as of December
3427 31, 1994, and annually thereafter.

3428 (c) Filing articles of merger when the resulting
3429 association is a state association, a minimum fee of Five Hundred
3430 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred
3431 Dollars (\$2,500.00), as fixed by the commissioner.

3432 (d) Filing an application for conversion from a
3433 national association to a state association, a minimum fee of Five
3434 Hundred Dollars (\$500.00) up to a maximum fee of Two Thousand Five
3435 Hundred Dollars (\$2,500.00) as fixed by the commissioner.

3436 (e) Filing an application for a branch bank, branch
3437 office, or drive-in teller window, a minimum fee of Two Hundred
3438 Fifty Dollars (\$250.00) up to a maximum fee of One Thousand Five
3439 Hundred Dollars (\$1,500.00), as fixed by the commissioner.

3440 The commissioner shall publish a schedule of fees applicable
3441 to all associations within his jurisdiction.

3442 SECTION 101. Section 81-12-195, Mississippi Code of 1972, is
3443 reenacted as follows:

3444 81-12-195. The offering and sale of savings accounts of any
3445 association subject to the provisions of this chapter are hereby
3446 exempted from all provisions of law of this state which provide
3447 for the supervision and regulation of the sale of securities, and
3448 the sale of any such accounts shall be legal without any action or
3449 approval whatsoever on the part of any official authorized to
3450 license, regulate and supervise the sale of securities.

3451 SECTION 102. Section 81-12-197, Mississippi Code of 1972, is
3452 reenacted as follows:

3453 81-12-197. No public officer qualified to take
3454 acknowledgments or proofs of written instruments shall be
3455 disqualified from taking the acknowledgment or proof of any
3456 instrument in writing in which an association is interested by
3457 reason of his membership in or employment by an association so
3458 interested, and any such acknowledgments or proofs heretofore
3459 taken are hereby validated.

3460 SECTION 103. Section 81-12-199, Mississippi Code of 1972, is
3461 reenacted as follows:

3462 81-12-199. Whoever willfully and knowingly makes, issues,
3463 circulates, transmits or causes to be made any statement, written,
3464 printed, reproduced in any manner, or by word of mouth, which is
3465 untrue in fact and is directly false and malicious in that it is
3466 calculated to injure the reputation or business of any
3467 association, federal association, federal home loan bank, the
3468 appropriate federal regulatory authority, or the Federal Deposit
3469 Insurance Corporation, shall upon conviction be fined not more
3470 than One Thousand Dollars (\$1,000.00) or imprisoned for not more
3471 than one (1) year, or both.

3472 SECTION 104. Section 81-12-201, Mississippi Code of 1972, is
3473 reenacted as follows:

3474 81-12-201. From and after July 1, 1977, no person, whether
3475 or not incorporated, other than a bank or credit union organized
3476 under the laws of this state or of the United States, or an

3477 association organized under the laws of this state or of the
3478 United States, shall advertise by newspaper, radio, television, or
3479 other commercial media for deposits of money from the public. The
3480 commissioner shall have authority to enforce this prohibition by
3481 injunctive relief in the chancery court in which any such person
3482 may be a resident or domiciled.

3483 SECTION 105. Section 81-12-203, Mississippi Code of 1972, is
3484 reenacted as follows:

3485 81-12-203. (1) The name, rights, powers, privileges and
3486 immunities of every savings association heretofore incorporated in
3487 this state shall be governed by the provisions of this chapter to
3488 the same extent and effect as if such association had been
3489 incorporated pursuant hereto. Every such association shall
3490 possess the rights, powers, privileges and immunities and shall be
3491 subject to the duties, liabilities, disabilities and restrictions
3492 conferred and imposed by this chapter, notwithstanding anything to
3493 the contrary in its certificates of incorporation, bylaws,
3494 constitution or rules.

3495 (2) All obligations to any such association heretofore
3496 contracted shall be enforceable by it and in its name, and
3497 demands, claims and rights of action against any such association
3498 may be enforced against it as fully and completely as they could
3499 have been enforced heretofore.

3500 SECTION 106. Section 81-12-205, Mississippi Code of 1972, is
3501 reenacted as follows:

3502 81-12-205. Any interested person aggrieved by any final
3503 rule, regulation or order of the commissioner or the board, shall
3504 have the right, regardless of the amount involved to appeal to the
3505 Circuit Court of the First Judicial District of Hinds County,
3506 except that if the appellant is an applicant for a charter the
3507 appeal shall be taken to the circuit court of the county in which
3508 the institution sought to be chartered would be domiciled, and if
3509 the appellant is seeking to establish a branch office, the appeal

3510 shall be taken to the circuit court of the county in which the
3511 branch is proposed to be located. Such appeal shall be taken and
3512 perfected as hereinafter provided, within thirty (30) days from
3513 the date of such final rule, regulation or order; and the circuit
3514 court may affirm such rule, regulation or order, or reverse same
3515 for further proceedings as justice may require. All such appeals
3516 shall be taken and perfected, heard and determined either in
3517 termtime or in vacation on the record, including a transcript of
3518 pleadings and testimony, both oral and documentary, filed and
3519 heard before the commissioner or the board, and such appeal shall
3520 be heard and disposed of promptly by the court as a preference
3521 cause. In perfecting any appeal provided by this section, the
3522 provisions of law respecting notice to the reporter and the
3523 allowance of bills of exception, now or hereafter in force
3524 respecting appeals from the circuit court to Supreme Court shall
3525 be applicable. However, the reporter shall transcribe his notes
3526 and file the transcript of the record with the commissioner or the
3527 board within thirty (30) days after approval of the appeal bond.
3528 Upon the filing with the commissioner or the board of a petition
3529 for appeal to the circuit court, it shall be the duty of the
3530 commissioner or the board, as promptly as possible, and in any
3531 event within sixty (60) days after approval of the appeal bond, to
3532 file with the clerk of the circuit court to which the appeal is
3533 taken, a copy of the petition for appeal and of the rule,
3534 regulation or order appealed from, and the original and one (1)
3535 copy of the transcript of the record of proceedings in evidence
3536 before the commissioner or the board. After the filing of the
3537 petition, the appeal shall be perfected by the filing of bond in
3538 the sum of Five Hundred Dollars (\$500.00) with two (2) good and
3539 sufficient sureties or with a surety company qualified to do
3540 business in Mississippi as the surety, conditioned to pay the cost
3541 of such appeal; the bond to be approved by the commissioner or by
3542 the clerk of the court to which such appeal is taken. The

3543 perfection of an appeal shall not stay or suspend the operation of
3544 any rule, regulation or order of the commissioner or the board,
3545 but the judge of the circuit court to which the appeal is taken
3546 may award a writ of supersedeas to any rule, regulation or order
3547 of the commissioner or the board after five (5) days' notice to
3548 the commissioner or the board and after hearing. Any order or
3549 judgment staying the operation of any rule, regulation or order of
3550 the commissioner or the board shall contain a specific finding,
3551 based upon evidence submitted to the circuit judge and identified
3552 by reference thereto, that great or irreparable damage would
3553 result to the appellant if he is denied relief, and the stay shall
3554 not become effective until a supersedeas bond shall have been
3555 executed and filed with and approved by the clerk of the court
3556 payable to the state. The bond shall be in an amount fixed by the
3557 circuit judge and conditioned as the circuit judge may direct in
3558 the order granting the supersedeas.

3559 SECTION 107. Section 81-12-207, Mississippi Code of 1972, is
3560 reenacted as follows:

3561 81-12-207. Where no other criminal penalty is specifically
3562 provided in this chapter, if any association or its agents,
3563 attorneys or solicitors, officers or directors, or any other
3564 person shall solicit or negotiate any deposit of money or in
3565 anywise transact any business regulated hereunder in this state
3566 without having first fully complied in good faith with the
3567 provisions of this chapter, such association and any such person,
3568 upon conviction, shall be punished by a fine of not more than Five
3569 Thousand Dollars (\$5,000.00) or imprisonment for not more than
3570 five (5) years, or both.

3571 SECTION 108. Section 81-12-209, Mississippi Code of 1972,
3572 which is a repealer on the statutes providing for the regulation
3573 of savings associations, is repealed.

3574 SECTION 109. This act shall take effect and be in force from
3575 and after July 1, 2001.