

By: Representative Ford

To: Banks and Banking

HOUSE BILL NO. 464  
(As Passed the House)

1 AN ACT TO REENACT SECTIONS 81-14-1 THROUGH 81-14-403,  
2 MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR THE REGULATION OF  
3 SAVINGS BANKS; TO REPEAL SECTION 81-14-501, MISSISSIPPI CODE OF  
4 1972, WHICH IS A REPEALER ON THE STATUTES PROVIDING FOR THE  
5 REGULATION OF SAVINGS BANKS; AND FOR RELATED PURPOSES.

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

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

9 81-14-1. This chapter shall be known and may be cited as the  
10 "Savings Bank Law."

11 SECTION 2. Section 81-14-3, Mississippi Code of 1972, is  
12 reenacted as follows:

13 81-14-3. The purpose of this chapter is:

14 (a) To provide for affordable housing resources for  
15 citizens of this state by promoting and preserving a system of  
16 thrift institutions that are locally owned and controlled;

17 (b) To provide for the safe and sound conduct of the  
18 business of savings banks, the conservation of their assets and  
19 the maintenance of public confidence in savings banks;

20 (c) To provide for the protection of the interests of  
21 customers and members;

22 (d) To provide the opportunity for savings banks to  
23 remain competitive with each other and with other depository  
24 institutions existing under other state and federal laws;

25 (e) To provide for an increase in the savings base of  
26 the state and for local control of the means of finance and  
27 accumulation of capital;

28           (f) To provide the opportunity for the management of  
29 savings banks to exercise prudent business judgment in conducting  
30 the affairs of savings banks to the extent compatible with the  
31 purposes recited in this section; and

32           (g) To provide adequate rule making power and  
33 administrative discretion so that the regulation and supervision  
34 of savings banks are readily responsive to changes in local  
35 economic conditions and depository institution practices.

36           SECTION 3. Section 81-14-5, Mississippi Code of 1972, is  
37 reenacted as follows:

38           81-14-5. The provisions of this chapter, unless the context  
39 otherwise specifies, shall apply to all state savings banks.

40           SECTION 4. Section 81-14-7, Mississippi Code of 1972, is  
41 reenacted as follows:

42           81-14-7. As used in this chapter, unless the context  
43 otherwise requires, the following terms shall have the meanings  
44 ascribed herein:

45           (a) "Affiliate" means any person or corporation which  
46 controls, is controlled by, or is under common control with a  
47 savings institution.

48           (b) "Associate" when used to indicate a relationship  
49 with any person means (i) any corporation or organization, other  
50 than the applicant, of which such person is an officer or partner  
51 or is, directly or indirectly, the beneficial owner of ten percent  
52 (10%) or more of any class of equity securities; (ii) any trust or  
53 other estate in which such person has a substantial beneficial  
54 interest, or to which such person serves as a trustee or in a  
55 similar fiduciary capacity; and (iii) any relative or spouse who  
56 lives in the same house as that person, or any relative of that  
57 person's spouse who lives in the same house as that person, or who  
58 is a director or officer of the applicant or any of its parents or  
59 subsidiaries.

60 (c) "Association" means a thrift institution that is  
61 chartered by this state but which is not subject to this chapter.

62 (d) "Board" means the State Board of Banking Review.

63 (e) "Branch office" means an office of a savings bank  
64 other than its principal office which renders savings institution  
65 services.

66 (f) "Capital stock" means securities which represent  
67 ownership of a stock savings bank.

68 (g) "Certificate of incorporation of charter" means the  
69 document which represents the corporate existence of a state  
70 savings bank.

71 (h) "Commissioner" means the Commissioner of Banking  
72 and Consumer Finance.

73 (i) "Conflict of interest" means a matter before the  
74 board of directors in which one or more of the directors, officers  
75 or employees has a direct or indirect financial interest in its  
76 outcome.

77 (j) "Control" means the power, directly or indirectly,  
78 to direct the management or policies of a savings bank, or to vote  
79 twenty-five percent (25%) or more of any class of voting  
80 securities for a savings bank.

81 (k) "Depository institution" means a person, firm or  
82 corporation engaged in the business of receiving, soliciting or  
83 accepting money or its equivalent on deposit and/or lending money  
84 or its equivalent.

85 (l) "Disinterested directors" means those directors who  
86 have absolutely no direct or indirect financial interest in the  
87 matter before them.

88 (m) "Dividends on stock" means the earnings of a  
89 savings bank paid out to holders of capital stock in a stock  
90 savings bank.

91 (n) "Department" means the Department of Banking and  
92 Consumer Finance.

93           (o) "Examination and investigation" means a supervisory  
94 inspection of a savings bank or proposed savings bank which may  
95 include inspection of every relevant piece of information  
96 including subsidiary or affiliated businesses.

97           (p) "Immediate family" means one's spouse, father,  
98 mother, children, brothers, sisters and grandchildren; and the  
99 father, mother, brother and sisters of one's spouse; and the  
100 spouse of one's child, brother or sister.

101           (q) "Insurance of deposit accounts" means insurance on  
102 a savings bank's deposit accounts when the beneficiary is the  
103 holder of such insured account.

104           (r) "Loan production office" means an office of a  
105 savings bank other than the principal or branch offices whose  
106 activities are limited to the generation of loans.

107           (s) "Members" means deposit account holders and  
108 borrowers in a state mutual savings bank.

109           (t) "Mutual savings bank" means a savings bank owned by  
110 members of the savings bank and organized under the provisions of  
111 this chapter.

112           (u) "Net worth" means a savings bank's total assets  
113 less total liabilities as defined by generally accepted accounting  
114 principles plus unallocated, general loan loss reserves.

115           (v) "Original incorporators" means the organizers of a  
116 state savings bank responsible for the business of a proposed  
117 savings bank from filing of application to the board's final  
118 decision on such application.

119           (w) "Plan of conversion" means a detailed outline of  
120 the procedure of the conversion of a savings institution from one  
121 to another regulatory authority, from one to another form of  
122 ownership, or from one to another charter.

123           (x) "Principal office" means the office which houses  
124 the headquarters of a savings bank.

125           (y) "Proposed savings bank" means an entity in  
126 organizational procedures prior to the board's final decision on  
127 its charter application.

128           (z) "Registered agent" means the person named in the  
129 certificate of incorporation upon whom service of legal process  
130 shall be deemed binding upon the savings bank.

131           (aa) "Savings bank" includes a state savings bank or a  
132 federal savings bank unless limited by use of the words "state" or  
133 "federal."

134           (bb) "Savings institution" means either an association  
135 or a savings bank.

136           (cc) "Service corporation" means a corporation  
137 operating under the provision of Article 7 of this chapter which  
138 engages in activities determined by the rules and regulations of  
139 the commissioner to be incidental to the conduct of a depository  
140 institution business as provided in this chapter or activities  
141 which further the corporate purposes of a savings bank, or which  
142 furnishes services to a savings bank or subsidiaries of a savings  
143 bank, the voting stock of which is owned directly or indirectly by  
144 one or more savings institutions.

145           (dd) "This state" means the State of Mississippi.

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

154           (ff) "State savings bank" means a depository  
155 institution organized under this chapter and operated under the  
156 provisions of this chapter; or a corporation organized under the

157 provisions of the laws of this state or federal law and so  
158 converted as to be operated under the provisions of this chapter.

159 (gg) "Stock savings bank" means all savings banks owned  
160 by holders of capital stock and organized and/or operated under  
161 the provisions of this chapter.

162 (hh) "Voluntary dissolution" means the dissolution and  
163 liquidation of a savings bank initiated by its ownership.

164 SECTION 5. Section 81-14-51, Mississippi Code of 1972, is  
165 reenacted as follows:

166 81-14-51. Any hearing required to be held by this chapter  
167 shall be conducted in accordance with applicable provisions as  
168 prescribed by the commissioner.

169 SECTION 6. Section 81-14-53, Mississippi Code of 1972, is  
170 reenacted as follows:

171 81-14-53. All the provisions of law relating to private  
172 corporations operating in this state which are not inconsistent  
173 with this chapter, or with the proper business of depository  
174 institutions, shall be applicable to all state savings banks.

175 SECTION 7. Section 81-14-55, Mississippi Code of 1972, is  
176 reenacted as follows:

177 81-14-55. (1) Nothing in this chapter shall be construed to  
178 invalidate any charter that was valid prior to the enactment of  
179 this chapter. Any savings bank chartered pursuant to this chapter  
180 shall use the letters "SSB" in its legal name.

181 (2) Except as provided in subsection (1), no person or group  
182 of persons, nor any corporation, company or savings bank that is  
183 not incorporated and licensed in accordance with the provisions of  
184 this chapter or federal law to operate a savings bank shall  
185 operate as a savings bank. Unless so authorized as a state or  
186 federal savings bank and engaged in transacting a depository  
187 institution business, no person or group of persons, nor any  
188 corporation, company or savings bank domiciled and doing business  
189 in this state shall:

190           (a) Use in its name the term "savings bank" or words of  
191 similar import or connotation that lead the public reasonably to  
192 believe that the business so conducted is that of a savings bank;  
193 or

194           (b) Use any sign, or circulate or use any letterhead,  
195 billhead, circular or paper whatsoever, or advertise or  
196 communicate in any manner, that would lead the public reasonably  
197 to believe that it is conducting the business of a savings bank.

198           (3) Upon application by the commissioner or by any savings  
199 bank, a court of competent jurisdiction may issue an injunction to  
200 restrain any person or entity from violating any of the foregoing  
201 provisions of subsection (2).

202           SECTION 8. Section 81-14-57, Mississippi Code of 1972, is  
203 reenacted as follows:

204           81-14-57. (1) Any five (5) or more natural persons  
205 (hereinafter referred to as "incorporators"), a majority of whom  
206 shall be domiciled in this state, may make application to organize  
207 a savings bank in order to promote the purpose of this chapter.  
208 The incorporators shall file with the commissioner a preliminary  
209 application to organize a state savings bank in the form to be  
210 prescribed by the commissioner, together with the proper  
211 nonrefundable application fee.

212           (2) The application to organize a state savings bank shall  
213 be received by the commissioner not less than sixty (60) days  
214 prior to the scheduled consideration of the application by the  
215 board, and it shall contain:

216           (a) The original and two (2) copies of the certificate  
217 of incorporation, signed by a majority of the original  
218 incorporators, which shall not be less than five (5), and properly  
219 acknowledged by a person duly authorized by this state to take  
220 proof of acknowledgment of deeds;

221           (b) The names and addresses of the incorporators and  
222 the initial members of the board of directors;

223 (c) Statements of the anticipated receipts,  
224 expenditures, earnings and financial condition of the savings bank  
225 for its first three (3) years of operation, or such longer period  
226 as the commissioner may require;

227 (d) A showing satisfactory to the board that:

228 (i) The public convenience and advantage will be  
229 served by the establishment of the proposed savings bank;

230 (ii) There is a reasonable demand and necessity in  
231 the community which will be served by the establishment of the  
232 proposed savings bank;

233 (iii) The proposed savings bank will have a  
234 reasonable probability of sustaining profitable and beneficial  
235 operations within a reasonable time in the community in which the  
236 proposed savings bank intends to locate;

237 (iv) The proposed savings bank will promote  
238 healthy and effective competition in the community by the delivery  
239 to the public of savings institution services;

240 (e) The proposed bylaws;

241 (f) Statements, exhibits, maps and other data which may  
242 be prescribed or required by the commissioner, which data shall be  
243 sufficiently detailed so as to enable the commissioner to pass  
244 upon the criteria set forth in this article.

245 (3) The application shall be signed by a majority of the  
246 original incorporators, which shall not be less than five (5), and  
247 shall be properly acknowledged by a person duly authorized by this  
248 state to take proof and acknowledgment of deeds.

249 SECTION 9. Section 81-14-59, Mississippi Code of 1972, is  
250 reenacted as follows:

251 (1) The certificate of incorporation of a proposed mutual  
252 savings bank shall set forth:

253 (a) The name of the savings bank which shall not  
254 closely resemble the name of an existing depository institution



255 doing business under the laws of this state so as to mislead the  
256 public;

257 (b) The county and city or town where its principal  
258 office will be located in this state; and the name of its  
259 registered agent and the address of its registered office,  
260 including county and city or town, and street and number;

261 (c) The period of duration, which may be perpetual.  
262 When the certificate of incorporation fails to state the period of  
263 duration, it shall be considered perpetual;

264 (d) The purpose for which the savings bank is organized  
265 which shall be limited to purposes permitted under the laws of  
266 this state for savings banks;

267 (e) The amount of the entrance fee per deposit account  
268 based upon the amount pledged;

269 (f) The minimum amount on deposit in deposit accounts  
270 before it shall commence business;

271 (g) Any provision, not inconsistent with this chapter,  
272 and the proper operation of a savings bank, which the  
273 incorporators shall set forth in the certificate of incorporation  
274 for the regulation of the internal affairs of the savings bank;

275 (h) The number of directors, which shall not be less  
276 than five (5), constituting the initial board of directors (which  
277 may be classified in the certificate of incorporation) and the  
278 name and address of each person who is to serve as a director  
279 until the first meeting of members, or until his successor is duly  
280 elected;

281 (i) The names and addresses of the incorporators.

282 (2) The certificate of incorporation of a proposed stock  
283 savings bank shall set forth:

284 (a) The name of the savings bank which shall not  
285 closely resemble the name of an existing depository institution  
286 doing business under the laws of this state so as to mislead the  
287 public;

288           (b) The county and city or town where its principal  
289 office will be located in this state; and the name of its  
290 registered agent and the address of its registered office,  
291 including county and city or town, and street and number;

292           (c) The period of duration which may be perpetual.  
293 When the certificate of incorporation fails to state the period of  
294 duration, it shall be considered perpetual;

295           (d) The purposes for which the savings bank is  
296 organized, which shall be limited to purposes permitted under the  
297 laws of this state for savings banks;

298           (e) With respect to the shares of stock which the  
299 savings bank shall have authority to issue:

300                 (i) If the stock is to have a par value, the  
301 number of such shares of stock and the par value of each;

302                 (ii) If the stock is to be without par value, the  
303 number of such shares of stock;

304                 (iii) If the stock is to be divided into classes,  
305 or into series within a class of preferred or special shares of  
306 stock, the certificate of incorporation shall also set forth a  
307 designation of each class, with a designation of each series  
308 within a class, and a statement of the preferences, limitations  
309 and relative rights of the stock of each class or series;

310           (f) The minimum amount of consideration to be received  
311 for its shares of stock before it shall commence business;

312           (g) A statement as to whether stockholders have  
313 preemptive rights to acquire additional or treasury shares of the  
314 savings bank;

315           (h) Any provision not inconsistent with this chapter or  
316 the proper operation of a savings bank, which the incorporators  
317 shall set forth in the certificate of incorporation for the  
318 regulation of the internal affairs of the savings bank;

319           (i) The number of directors, which shall not be less  
320 than five (5), constituting the initial board of directors (which

321 may be classified in accordance with provisions in the certificate  
322 of incorporation) and the name and address of each person who is  
323 to serve as a director until the first meeting of the  
324 stockholders, or until his successor is duly elected;

325 (j) The names and addresses of the incorporators.

326 SECTION 10. Section 81-14-61, Mississippi Code of 1972, is  
327 reenacted as follows:

328 81-14-61. Upon receipt of an application to organize and  
329 establish a savings bank, the commissioner shall examine or cause  
330 to be examined all the relevant facts connected with the formation  
331 of the proposed savings bank. If it appears to the commissioner  
332 that the proposed savings bank has complied with all the  
333 requirements set forth in this chapter and the rules and  
334 regulations for the formation of a savings bank and is otherwise  
335 lawfully entitled to be organized and established as a savings  
336 bank, the commissioner shall present the application to the board  
337 for its consideration.

338 SECTION 11. Section 81-14-63, Mississippi Code of 1972, is  
339 reenacted as follows:

340 81-14-63. (1) The commissioner may recommend approval of an  
341 application to form a mutual savings bank only when all of the  
342 following criteria are met:

343 (a) The proposed savings bank has an operational  
344 expense fund from which to pay organizational and incorporation  
345 expenses in an amount determined by the commissioner to be  
346 sufficient for the safe and proper operation of the savings bank;  
347 provided, however, that such expense fund shall not contain less  
348 than Seventy-five Thousand Dollars (\$75,000.00). The monies  
349 remaining in such expense fund shall be held by the savings bank  
350 for at least one (1) year from its date of licensing. No portion  
351 of such fund shall be released to an incorporator or director who  
352 contributed to it, nor to any other contributor, nor to any other

353 person, and no dividends shall be accrued or paid on such funds  
354 without the prior approval of the commissioner.

355 (b) The proposed savings bank has pledges for deposit  
356 accounts in the amount determined by the commissioner sufficient  
357 for the safe and proper operation of the savings bank. However,  
358 the amount of such pledges for any savings bank, except for a  
359 savings bank which was converted from an existing financial  
360 institution, shall not be less than the amount required to obtain  
361 insurance of deposit accounts by the Federal Deposit Insurance  
362 Corporation.

363 (c) All entrance fees for deposit accounts of the  
364 proposed savings bank have been made with legal tender of the  
365 United States.

366 (d) The name of the proposed savings bank will not  
367 mislead the public and is not the same as, or so similar to, the  
368 name of an existing depository institution as to mislead the  
369 public.

370 (e) The character, general fitness and responsibility  
371 of the incorporators and the initial board of directors of the  
372 proposed savings bank, a majority of whom shall be residents of  
373 Mississippi, command the confidence of the community in which the  
374 proposed savings bank intends to locate.

375 (f) There is a reasonable demand and necessity in the  
376 community which will be served by the establishment of the  
377 proposed savings bank.

378 (g) The public convenience and advantage will be served  
379 by the establishment of the proposed savings bank.

380 (h) The proposed savings bank will have a reasonable  
381 probability of sustaining profitable and beneficial operations in  
382 the community.

383 (i) The proposed savings bank, if established, will  
384 promote the healthy and effective competition in the community by  
385 the delivery to the public of savings institution services.

386           (2) The commissioner may recommend approval of an  
387 application to form a stock savings bank only when all the  
388 following criteria are met:

389           (a) The proposed savings bank has prepared a plan to  
390 solicit subscriptions for capital stock in an amount determined by  
391 the commissioner to be sufficient for the safe and proper  
392 operation of the savings bank. However, the amount of such  
393 subscriptions for any savings bank, except for a savings bank  
394 which was converted from an existing financial institution, shall  
395 not be less than the amount required to obtain insurance of  
396 deposit accounts by the Federal Deposit Insurance Corporation.

397           (b) The name of the proposed savings bank will not  
398 mislead the public and is not the same as, or so similar to, the  
399 name of an existing depository institution as to mislead the  
400 public.

401           (c) The character, general fitness and responsibility  
402 of the incorporators, initial board of directors and initial  
403 stockholders of the proposed savings bank command the confidence  
404 of the community in which the proposed institution intends to  
405 locate.

406           (d) There is a reasonable demand and necessity in the  
407 community which will be served by the establishment of the  
408 proposed savings bank.

409           (e) The public convenience and advantage will be served  
410 by the establishment of the proposed savings bank.

411           (f) The proposed savings bank will have a reasonable  
412 probability of sustaining profitable and beneficial operations in  
413 the community.

414           (g) The proposed savings bank, if established, will  
415 promote healthy and effective competition in the community in the  
416 delivery to the public of savings institution services.

417           SECTION 12. Section 81-14-65, Mississippi Code of 1972, is  
418 reenacted as follows:

419           81-14-65. (1) If the commissioner does not have the  
420 completed application within one hundred twenty (120) days of the  
421 filing of the preliminary application, the application shall be  
422 returned to the applicants.

423           (2) When the commissioner has completed his examination and  
424 investigation of the facts relevant to the establishment of the  
425 proposed savings bank, he shall present his findings and  
426 recommendations to the board at a public hearing. The board must  
427 approve or reject an application within one hundred eighty (180)  
428 days of the submission of the preliminary application.

429           (3) Not less than forty-five (45) days prior to the public  
430 hearing held for the consideration of the application to establish  
431 a savings bank, the incorporators shall publish a notice in a  
432 newspaper of general circulation in the area to be served by the  
433 proposed savings bank. Such notice shall contain:

434           (a) A statement that the application has been filed  
435 with the commissioner;

436           (b) The name of the community where the principal  
437 office of the proposed savings bank intends to locate;

438           (c) A statement that a public hearing shall be held to  
439 consider the application;

440           (d) A statement that any interested or affected party  
441 may file a written statement either favoring or protesting the  
442 creation of the proposed savings bank. Such statement must be  
443 filed with the commissioner within thirty (30) days of the date of  
444 publication; and

445           (e) When a certificate of incorporation is sought in  
446 order to effect the acquisition of an insolvent financial  
447 institution that is being sold pursuant to the provisions of state  
448 or federal law, any constraints of time imposed herein shall not  
449 apply if the commissioner determines that an emergency exists  
450 which requires expedition in granting a certificate in order to

451 protect the interests of the public and the interests of the  
452 depositors and creditors of the financial institution.

453 (4) The board, at the public hearing, shall consider the  
454 findings and recommendation of the commissioner and shall hear  
455 such oral testimony as the commissioner may wish to give or be  
456 called upon to give, and shall also receive information and hear  
457 testimony from the incorporators of the proposed savings bank and  
458 from any and all other interested or affected parties. The board  
459 shall hear only testimony and receive only information which is  
460 relevant to the consideration of the application and the operation  
461 of the proposed savings bank.

462 SECTION 13. Section 81-14-67, Mississippi Code of 1972, is  
463 reenacted as follows:

464 81-14-67. (1) After consideration of the findings and  
465 recommendation of the commissioner and his oral testimony, if any,  
466 and the consideration of such other information and evidence,  
467 either written or oral, as has come before it at the public  
468 hearing, the board shall approve or disapprove the application  
469 within thirty (30) days after the public hearing. The board shall  
470 approve the application if it finds that the certificate of  
471 incorporation is in compliance with the provisions of this chapter  
472 and the rules or regulations promulgated thereunder.

473 (2) If the board approves the application, the commissioner  
474 shall so notify the Secretary of State with a certificate of  
475 approval, accompanied by the original of the certificate of  
476 incorporation and the two (2) copies.

477 (3) Upon receipt of the certificate of approval, the  
478 original of the certificate of incorporation, and the two (2)  
479 copies, the Secretary of State shall, upon the payment by the  
480 newly chartered savings bank of the appropriate organization tax  
481 and fees, file the certificate of incorporation. He shall certify  
482 under his official seal the two (2) copies of the certificate of  
483 incorporation, one (1) of which shall be forwarded to the

484 incorporators or their representative, the other shall be  
485 forwarded to the office of the commissioner for filing. Upon the  
486 recordation of the certificate of incorporation by the Secretary  
487 of State, the savings bank shall be a body politic and corporate  
488 under the name stated in such certificate, and shall be authorized  
489 to begin the savings bank business when duly licensed by the  
490 commissioner.

491 (4) The said certificate of incorporation, or a copy  
492 thereof, duly certified by the Secretary of State, or by the  
493 register of deeds of the county where the savings bank is located,  
494 or by the commissioner, under their respective seals, shall be  
495 evidence in all courts, and shall, in all judicial proceedings, be  
496 deemed prima facie evidence of the complete organization and  
497 incorporation of the savings bank purporting thereby to have been  
498 established.

499 (5) After approval of the application, the commissioner  
500 shall supervise and monitor the organization process. He shall  
501 ensure that sufficient pledges for deposit accounts or  
502 subscriptions for capital stock, as well as insurance of deposit  
503 accounts, have been secured by the organizers.

504 SECTION 14. Section 81-14-69, Mississippi Code of 1972, is  
505 reenacted as follows:

506 81-14-69. The final decision of the board may be appealed by  
507 an applicant for a charter in accordance with Section 81-14-175.

508 SECTION 15. Section 81-14-71, Mississippi Code of 1972, is  
509 reenacted as follows:

510 81-14-71. All state savings banks must obtain and maintain  
511 insurance on all members' and customers' deposit accounts from an  
512 insurance corporation created by an act of Congress. Prior to the  
513 licensing of a savings bank, a certificate of incorporation duly  
514 recorded under the provisions of Section 89-19-67(3) shall be  
515 deemed to be sufficient certification to the insurance corporation  
516 that must be obtained within the time limit prescribed



517 hereinafter. Subject to the rules and regulations of the  
518 commissioner, a state savings bank may obtain or participate in  
519 efforts to obtain insurance of deposits that is in excess of the  
520 amount eligible for federal insurance of accounts. Such insurance  
521 shall be known as "excess insurance."

522 SECTION 16. Section 81-14-73, Mississippi Code of 1972, is  
523 reenacted as follows:

524 81-14-73. All state savings banks must qualify for and  
525 maintain eligibility for the bad debt reserve under Section  
526 7701(a)(19) of the Internal Revenue Code of 1968 and any  
527 amendments thereto.

528 SECTION 17. Section 81-14-75, Mississippi Code of 1972, is  
529 reenacted as follows:

530 81-14-75. A newly chartered savings bank shall commence  
531 business within one (1) year after the date upon which its  
532 corporate existence was begun. A savings bank which does not  
533 commence business within such time shall forfeit its corporate  
534 existence, unless the commissioner, upon written request from the  
535 savings bank, approves an extension of time before the expiration  
536 of such one-year period. If the corporate existence is forfeited,  
537 the certificate of incorporation shall expire and any action taken  
538 in connection with the incorporation and chartering of the savings  
539 bank, with the exception of fees paid to the department, shall  
540 become null and void. The commissioner shall determine if a  
541 savings bank has failed to commence business within one (1) year,  
542 without extension as provided in this section, and shall notify  
543 the Secretary of State and the registrar of deeds in the county in  
544 which the savings bank is located that the certificate of  
545 incorporation has expired.

546 SECTION 18. Section 81-14-77, Mississippi Code of 1972, is  
547 reenacted as follows:

548 81-14-77. A newly chartered savings bank shall be entitled  
549 to a license fee to operate upon payment to the department of the

550 appropriate license fee as prescribed by the commissioner and upon  
551 evidence presented to the commissioner of the following:

552 (a) Capable, efficient and equitable management;

553 (b) Organization of the savings bank pursuant to law;

554 (c) Completion of the organization of the savings bank;

555 and

556 (d) Passage of final inspection by the commissioner or  
557 his representative.

558 SECTION 19. Section 81-14-79, Mississippi Code of 1972, is  
559 reenacted as follows:

560 81-14-79. Any amendment to the certificate of incorporation  
561 of a state savings bank shall be made at any annual or special  
562 meeting of such savings bank upon approval by a majority of votes  
563 or shares cast by members or stockholders present in person or by  
564 proxy at such meeting. Any amendment shall be certified by the  
565 appropriate corporate official, submitted to the commissioner for  
566 his approval or rejection, and if approved, then certified by the  
567 commissioner and recorded as provided in Section 81-14-67 for  
568 certificates of incorporation.

569 SECTION 20. Section 81-14-81, Mississippi Code of 1972, is  
570 reenacted as follows:

571 81-14-81. Every stock savings bank organized and operated  
572 under the provisions of this chapter shall at all times keep a  
573 current list of the names of all its stockholders. Whenever  
574 called upon by the commissioner, a stock savings bank shall file  
575 in the office of the commissioner a correct list of all its  
576 stockholders, the resident address of each, the number of shares  
577 of stock held by each, and the dates of issue.

578 SECTION 21. Section 81-14-83, Mississippi Code of 1972, is  
579 reenacted as follows:

580 81-14-83. (1) Any state savings bank may apply to the  
581 commissioner for permission to establish a branch office. The  
582 application shall be in such form as may be prescribed by the

583 commissioner and shall be approved or denied by the commissioner  
584 within one hundred twenty (120) days of filing.

585 (2) The commissioner shall approve a branch application when  
586 all of the following criteria are met:

587 (a) The applicant has gross assets of at least Ten  
588 Million Dollars (\$10,000,000.00);

589 (b) The applicant has evidenced financial  
590 responsibility;

591 (c) The applicant has a net worth equal to or exceeding  
592 the amount required by the insurer of deposit accounts;

593 (d) The applicant has an acceptable internal control  
594 system. Such a system would include certain basic internal  
595 control requirements essential to the protection of assets and the  
596 promotion of operational efficiency regardless of the size of the  
597 applicant.

598 (3) Upon receipt of a branch application, the commissioner  
599 shall examine all the relevant facts connected with the  
600 establishment of the proposed branch office. If it appears to the  
601 satisfaction of the commissioner that the applicant has complied  
602 with all the requirements set forth in this section and the  
603 regulations for the establishment of a branch office, and that the  
604 savings bank is otherwise lawfully entitled to establish such  
605 branch office, then the commissioner shall approve the branch  
606 application.

607 (4) Within ten (10) days after the filing of the branch  
608 application with the commissioner, the applicant shall publish a  
609 notice in a newspaper of general circulation in the area to be  
610 served by the proposed branch office. Such notice shall contain:

611 (a) A statement that the branch application has been  
612 filed with the commissioner;

613 (b) The proposed address of the branch office,  
614 including city or town and street; and

615 (c) A statement that any interested party may file a  
616 written statement with the commissioner, within thirty (30) days  
617 of the date of the publication of the notice, protesting the  
618 establishment of the proposed branch office and requesting a  
619 hearing before the commissioner.

620 (5) Any interested party may file a written statement with  
621 the commissioner within thirty (30) days of the date of initial  
622 publication of the branch application notice, protesting the  
623 establishment of the proposed branch office and requesting a  
624 hearing before the commissioner. If a hearing is held on the  
625 branch application, the commissioner shall only receive  
626 information and hear testimony from the applicant and from any  
627 interested party which is relevant to the branch application and  
628 the operation of the proposed branch office. The commissioner  
629 shall issue his final decision on the branch application within  
630 thirty (30) days following the hearing.

631 (6) If a hearing is not held on the branch application, the  
632 commissioner shall issue his final decision within one hundred  
633 twenty (120) days of the filing of the application.

634 SECTION 22. Section 81-14-85, Mississippi Code of 1972, is  
635 reenacted as follows:

636 81-14-85. The board of directors of a state savings bank may  
637 change the location of a branch office or the principal office of  
638 the savings bank with the prior written approval of the  
639 commissioner. The commissioner may request, and the savings bank  
640 shall provide, such information as the commissioner determines  
641 necessary to evaluate the request.

642 SECTION 23. Section 81-14-87, Mississippi Code of 1972, is  
643 reenacted as follows:

644 81-14-87. The commissioner may, for good cause and after a  
645 hearing, order the closing of a branch office. Such order shall  
646 be made in writing to the savings bank and shall fix a reasonable  
647 time to close the branch office.

648 SECTION 24. Section 81-14-89, Mississippi Code of 1972, is  
649 reenacted as follows:

650 81-14-89. No branch office in this state may be discontinued  
651 or abandoned without the consent in writing of the commissioner  
652 first obtained.

653 SECTION 25. Section 81-14-91, Mississippi Code of 1972, is  
654 reenacted as follows:

655 81-14-91. A state savings bank may open or close a loan  
656 production office with the prior written approval of the  
657 commissioner. The commissioner may request, and the savings bank  
658 shall provide, such information as the commissioner determines  
659 necessary to evaluate the request.

660 SECTION 26. Section 81-14-101, Mississippi Code of 1972, is  
661 reenacted as follows:

662 81-14-101. Any state or federal thrift institution or state  
663 or national bank may apply for conversion into a state-chartered  
664 savings bank upon the affirmative vote of fifty-one percent (51%)  
665 or more of the total number of votes of the members eligible to be  
666 cast or an affirmative vote of sixty-six and two-thirds percent  
667 (66-2/3%) or more of all the issued and outstanding stock of such  
668 institution, at an annual meeting or at any special meeting of the  
669 members or stockholders called to consider such action. Upon such  
670 affirmative vote, the institution may apply for a certificate of  
671 authority by filing with the commissioner a certificate signed by  
672 its president or cashier and secretary which sets forth the  
673 corporate action herein prescribed and asserts that the  
674 institution has complied with the provisions of the laws of the  
675 United States. The institution shall also file with the  
676 commissioner the plan of conversion and the proposed amendments to  
677 its articles of incorporation or articles of association as  
678 approved by the members or stockholders for the operation of the  
679 institution as a state-chartered savings bank. Upon receipt of  
680 the prescribed application, the commissioner shall examine all

681 facts associated with the conversion. The expenses and cost  
682 incurred for such special examination shall be paid by the  
683 institution applying for permission to convert. The commissioner  
684 shall present his findings and recommendations to the State Board  
685 of Banking Review for consideration. Upon approval by the State  
686 Board of Banking Review, the commissioner shall issue a  
687 certificate of authority to the applicant allowing the conversion  
688 to proceed.

689 SECTION 27. Section 81-14-103, Mississippi Code of 1972, is  
690 reenacted as follows:

691 81-14-103. Any state savings bank, stock or mutual,  
692 organized and operated under the provisions of this chapter, may  
693 convert to a federal charter in accordance with the provisions of  
694 the laws and regulations of the United States and with the same  
695 force and effect as though originally incorporated under such  
696 laws. The procedure to convert shall be as follows:

697 (a) The savings bank shall submit a plan of conversion  
698 to the commissioner, and he may approve the plan, with or without  
699 amendment, or reject the plan. If he approves, the plan shall be  
700 submitted to the members or stockholders as hereinafter provided.  
701 If the commissioner rejects the plan, he shall state his  
702 objections in writing and give the converting savings bank an  
703 opportunity to amend the plan.

704 (b) A meeting of the members or stockholders shall be  
705 held after fifteen (15) days' notice to each member or  
706 stockholder. The board of directors may provide notice of the  
707 meeting to each member or stockholder either by mail, postage  
708 prepaid, or by publication of notice, once a week for two (2)  
709 weeks preceding such meeting, in a newspaper of general  
710 circulation in the county where such savings bank has its  
711 principal office. The notice may contain the following statement:  
712 "The purpose of this meeting is to consider the conversion of this  
713 state-chartered savings bank to a federal charter, pursuant to the

714 laws of the United States." An appropriate officer of the savings  
715 bank shall make proof by affidavit at such meeting of due service  
716 of the notice for such meeting.

717 (c) At the meeting of the members or stockholders of  
718 such savings bank, such members or stockholders may by affirmative  
719 vote of a majority of votes or shares present, in person or by  
720 proxy, resolve to convert said savings bank to a federal charter.  
721 A certified copy of the minutes from such meeting shall be filed  
722 in the office of the commissioner and shall be prima facie  
723 evidence of the holding of the meeting.

724 (d) Within a reasonable time after the receipt of a  
725 certified copy of the minutes, the commissioner shall either  
726 approve or reject the proceedings of the meeting for compliance  
727 with the procedure set forth in this section. If the commissioner  
728 approves the proceedings, he shall issue a certificate of his  
729 approval of conversion. Such certificate shall be recorded by the  
730 savings bank in the office of the Secretary of State. If the  
731 commissioner rejects the proceedings, he shall provide a written  
732 explanation of his disapproval and notify the savings bank of his  
733 disapproval.

734 (e) The savings bank shall file an application, in the  
735 manner prescribed or authorized by the laws and regulations of the  
736 United States, to consummate the conversion to a federal charter.  
737 A copy of the charter or authorization issued to the savings bank  
738 by the appropriate federal regulatory authority shall be filed  
739 with the commissioner. Upon filing with the commissioner, the  
740 savings bank shall cease to be a state savings bank and shall be a  
741 federal depository institution.

742 (f) Whenever any savings bank shall convert to a  
743 federal charter, it shall cease to be a savings bank under the  
744 laws of this state; provided, however, that its corporate  
745 existence shall be extended for the purpose of prosecuting or  
746 defending suits, enabling such savings bank to close its business

747 affairs as a state savings bank, and disposing of and conveying  
748 its property. At the time when such conversion becomes effective,  
749 all the property of the state savings bank, including all its  
750 rights, title and interest in and to all property of whatever  
751 kind, and every right, privilege, interest and asset of any  
752 conceivable value or benefit then existing, belonging or  
753 pertaining to it, or which would inure to it, shall immediately by  
754 act of law and without any conveyance or transfer, and without any  
755 further act or deed, be vested in and become the property of the  
756 federal depository institution which shall have, hold and enjoy  
757 such property in its own right as fully as such property was  
758 possessed, held and enjoyed by the savings bank; and the federal  
759 depository institution as of the effective time of such conversion  
760 shall succeed to all the rights, obligations and relations of the  
761 state savings bank.

762 SECTION 28. Section 81-14-105, Mississippi Code of 1972, is  
763 reenacted as follows:

764 81-14-105. (1) In the event of a state charter to federal  
765 charter conversion, when the form of ownership will also  
766 simultaneously be changed from stock to mutual, or from mutual to  
767 stock, the conversion shall proceed initially as if it involves  
768 only a charter conversion under Section 81-14-103. After the  
769 savings bank becomes a federal depository institution, then the  
770 federal regulatory authority shall govern the continuing  
771 conversion of the form of ownership of such newly converted  
772 depository institution.

773 (2) In the event of a federal charter to state charter  
774 conversion, when the form of ownership will also simultaneously be  
775 changed from stock to mutual or from mutual to stock, the  
776 conversion shall proceed initially as if it involves only a  
777 charter conversion under Section 81-14-101. After the federal  
778 depository institution becomes a state savings bank, the  
779 provisions of Section 81-14-107 or Section 81-14-109 shall govern



780 the continuing conversion of the form of ownership of such newly  
781 converted savings bank.

782 (3) The provisions of this section shall not apply to any  
783 simultaneous charter and ownership conversion accomplished in  
784 conjunction with a merger under the provisions of Section  
785 81-14-117.

786 SECTION 29. Section 81-14-107, Mississippi Code of 1972, is  
787 reenacted as follows:

788 81-14-107. (1) Any mutual savings bank may convert from  
789 mutual to the stock form of ownership as provided in this section.

790 (2) A mutual savings bank may apply to the commissioner for  
791 permission to convert to a stock savings bank and for  
792 certification of appropriate amendments to the savings bank's  
793 certificate of incorporation. Upon receipt of an application to  
794 convert from mutual to stock form, the commissioner shall examine  
795 all facts connected with the requested conversion. The expenses  
796 and cost of such examination, monitoring and supervision shall be  
797 paid by the savings bank applying for permission to convert.

798 (3) The savings bank shall submit a plan of conversion as a  
799 part of the application to the commissioner. The commissioner may  
800 approve it with or without amendment, if it appears that:

801 (a) After conversion the savings bank will be in sound  
802 financial condition and will be soundly managed;

803 (b) The conversion will not impair the capital of the  
804 savings bank nor adversely affect the savings bank's operations;

805 (c) The conversion will be fair and equitable to the  
806 members of the savings bank and no person whether member, employee  
807 or otherwise, will receive any inequitable gain or advantage by  
808 reason of the conversion;

809 (d) The savings bank services provided to the public by  
810 the savings bank will not be adversely affected by the conversion;

811           (e) The substance of the plan has been approved by a  
812 vote of two-thirds (2/3) of the board of directors of the savings  
813 bank;

814           (f) All shares of stock issued in connection with the  
815 conversion are offered first to the members of the savings bank;

816           (g) All stock shall be offered to members of the  
817 savings bank and others in prescribed amounts and otherwise  
818 pursuant to a formula and procedure which is fair and equitable  
819 and will be fairly disclosed to all interested persons;

820           (h) The plan provides a statement as to whether  
821 stockholders shall have preemptive rights to acquire additional or  
822 treasury shares of the savings bank.

823           If the commissioner approves the plan, then the plan shall be  
824 submitted to the members as hereinafter provided. If he refuses  
825 to approve the plan, the commissioner shall state his objections  
826 in writing and give the converting savings bank an opportunity to  
827 amend the plan to obviate such objections.

828           (4) After lawful notice to the members of the savings bank  
829 and full and fair disclosure, the plan must be approved by a  
830 majority of the total votes which members of the savings bank are  
831 eligible and entitled to cast. Such a vote by the members may be  
832 in person or by proxy. Following the vote of the members, the  
833 results of the vote certified by an appropriate officer of the  
834 savings bank shall be filed by the commissioner. The commissioner  
835 shall then either approve or disapprove the requested conversion.  
836 After approval of the conversion, the commissioner shall supervise  
837 and monitor the conversion process and he shall ensure that the  
838 conversion is conducted pursuant to law and the savings bank's  
839 approved plan of conversion.

840           (5) The commissioner may promulgate such rules and  
841 regulations as may be necessary to govern conversions; however,  
842 such rules and regulations as may be promulgated by the  
843 commissioner shall be equal to or exceed the requirements for

844 conversion, if any, imposed by the federal insurer of deposit  
845 accounts.

846 SECTION 30. Section 81-14-109, Mississippi Code of 1972, is  
847 reenacted as follows:

848 81-14-109. Any stock savings bank organized and operating  
849 under the provisions of this chapter may, subject to the approval  
850 of the commissioner, convert to a mutual savings bank under the  
851 provisions of this section. The commissioner may promulgate rules  
852 and regulations governing the conversion of stock savings banks to  
853 mutual savings banks. Such rules and regulations shall include,  
854 but shall not be limited to requirements that:

855 (a) The conversion neither impair the capital of the  
856 converting savings bank nor adversely affect its operations;

857 (b) The conversion shall be fair and equitable to all  
858 stockholders of the converting savings bank;

859 (c) The public shall not be adversely affected by the  
860 conversion;

861 (d) Conversion of a savings bank shall be accomplished  
862 only pursuant to a plan approved by the commissioner. Such plan  
863 must have been approved by an affirmative vote of two-thirds (2/3)  
864 of the members of the board of directors of the converting savings  
865 bank, after a full and fair disclosure to the stockholders, and by  
866 an affirmative vote of a majority of the votes which stockholders  
867 of the savings bank are entitled to cast;

868 (e) The plan of conversion provides that:

869 (i) Deposit accounts will be issued in connection  
870 with the conversion to the stockholders of the converting savings  
871 bank;

872 (ii) A uniform date will be fixed for the  
873 determination of the stockholders to whom, and the amount to each  
874 stockholder of which, deposit accounts shall be made available;

875 (iii) Deposit accounts made available to  
876 stockholders will be based upon a fair and equitable formula

877 approved by the commissioner and fully and fairly disclosed to the  
878 stockholders of the converting savings bank.

879 SECTION 31. Section 81-14-111, Mississippi Code of 1972, is  
880 reenacted as follows:

881 81-14-111. Any two (2) or more mutual savings banks, or any  
882 two (2) or more stock savings banks, organized and operating, may  
883 merge or consolidate into a single savings bank. The procedure to  
884 merge shall be as follows:

885 (a) The directors, or a majority of them, of such  
886 savings banks may, at separate meetings, enter into a written  
887 agreement of merger. Such agreement shall be signed by the  
888 majority of the directors under the corporate seals of the  
889 respective savings banks and shall specify each savings bank to be  
890 merged and the savings bank which is to receive into itself the  
891 merging savings bank or banks. Such agreement shall prescribe the  
892 terms and conditions of the merger and the mode of carrying it  
893 into effect. The merger agreement may provide such other  
894 provisions with respect to the merger as appear necessary or  
895 desirable, or as the commissioner may require to enable him to  
896 discharge his duties with respect to such merger.

897 (b) A meeting of the members or stockholders of each of  
898 the savings banks shall be held separately upon written notice of  
899 not less than fifteen (15) days to members or stockholders of each  
900 savings bank. The notice shall specify the time, place and  
901 purpose for the meeting. Notice shall be made by personal service  
902 or postage prepaid mail to the last address of each member or  
903 stockholder appearing upon the records of the savings bank, or by  
904 publication of notice, at least once a week for two (2) weeks  
905 preceding the meeting, in one or more newspapers of general  
906 circulation in the county or counties where each savings bank has  
907 its principal or a branch office, or in a newspaper of general  
908 circulation in an adjoining county if none is available in the  
909 county. An appropriate officer of the savings bank shall make

910 proof by affidavit at such meeting of the due service of the  
911 notice for such meeting.

912 (c) At separate meetings of the members or stockholders  
913 of the respective savings banks, the members or stockholders may  
914 adopt, by an affirmative vote of a majority of the votes or shares  
915 present, in person or by proxy, a resolution to merge into a  
916 single savings bank upon the terms of the merger agreement as  
917 agreed upon by the directors of the respective savings banks and  
918 as approved by the commissioner. Upon the adoption of the  
919 resolution, a copy of the minutes of the proceedings of the  
920 meetings of the members or stockholders of the respective savings  
921 banks certified by an appropriate officer of the merging savings  
922 banks shall be filed in the office of the commissioner. Within  
923 fifteen (15) days after the receipt of a certified copy of the  
924 minutes of such meeting the commissioner shall either approve or  
925 disapprove the proceedings for compliance with this section. If  
926 the proceedings are approved by him, he shall issue a certificate  
927 of his approval of the merger. The certificate shall be filed and  
928 recorded in the office of the Secretary of State. When the  
929 certificate is so filed, the merger agreement shall take effect  
930 according to its terms and shall be binding upon all the members  
931 or stockholders of the merging savings banks, and it shall be  
932 deemed to be the act of merger of such constituent savings banks  
933 under the laws of this state. The certificate or certified copy  
934 thereof shall be evidence of the agreement and act of merger of  
935 such constituent savings banks under the laws of this state and  
936 the observance and performance of all acts and conditions  
937 necessary to have been observed and performed precedent to such  
938 merger. Within sixty (60) days after its receipt from the  
939 Secretary of State, the certified copy of the certificate shall be  
940 filed with the registrar of deeds of the county or counties in  
941 which the respective savings banks so merged have recorded their  
942 original certificates of incorporation. Failure to file shall

943 subject the savings bank to a penalty of One Hundred Dollars  
944 (\$100.00) to be collected by the Secretary of State. If the  
945 commissioner disapproves the proceedings, he shall issue a written  
946 statement of the reasons for his disapproval and notify the  
947 savings bank to that effect.

948 (d) Upon the merger of any savings bank:

949 (i) Its corporate existence shall be merged into  
950 that of the receiving savings bank; and all its right, title,  
951 interest in and to all property of whatsoever kind, and every  
952 right, privilege, interest or asset of any conceivable value or  
953 benefit then existing belonging or pertaining to it, or which  
954 would inure to it under an unmerged existence, shall immediately  
955 by act of law and without any conveyance or transfer, and without  
956 any further act or deed, be vested in and become the property of  
957 such receiving savings bank which shall have, hold and enjoy such  
958 property in its own right as fully as if such property were  
959 possessed, held or enjoyed by the savings banks so merged; and  
960 such receiving savings bank shall absorb fully and completely the  
961 savings bank or banks so merged.

962 (ii) Its rights, liabilities, obligations and  
963 relations to any person shall remain unchanged and the savings  
964 bank into which it has been merged shall succeed to all the  
965 relations, obligations and liabilities as though it had assumed or  
966 incurred the same. No obligation or liability of a member,  
967 customer or stockholder in a savings bank shall be affected by the  
968 merger, but obligations and liabilities shall continue as they  
969 existed before the merger, unless otherwise provided in the merger  
970 agreement.

971 (iii) A pending action or other judicial  
972 proceeding to which any merging savings bank is a party shall not  
973 be deemed to have abated or to have discontinued by reason of the  
974 merger, but may be prosecuted to final judgment, order or decree  
975 as if the merger had not occurred; or the receiving savings bank

976 may be substituted as a party to such action or proceeding, and  
977 any judgment, order or decree may be rendered for or against the  
978 receiving savings bank as if the merger had not occurred.

979 (e) Notwithstanding any other provision of this  
980 section, the commissioner may waive any of the foregoing  
981 requirements upon finding that such waiver would be in the best  
982 interest of the members or stockholders of the merging savings  
983 banks.

984 SECTION 32. Section 81-14-113, Mississippi Code of 1972, is  
985 reenacted as follows:

986 81-14-113. (1) Any two (2) or more state mutual savings  
987 banks may merge to form a single state stock savings bank in  
988 separate merger-conversion proceedings or in simultaneous  
989 merger-conversion proceedings.

990 (2) Any two (2) or more state stock savings banks may merge  
991 to form a single state mutual savings bank in separate  
992 merger-conversion proceedings or in simultaneous merger-conversion  
993 proceedings.

994 (3) The commissioner may promulgate rules and regulations to  
995 facilitate the transition from two (2) or more savings banks to a  
996 single savings bank under a new form of ownership.

997 SECTION 33. Section 81-14-115, Mississippi Code of 1972, is  
998 reenacted as follows:

999 81-14-115. (1) Any two (2) or more savings banks, when one  
1000 or more is mutually owned and one or more is stock owned, may  
1001 merge to form either a mutual or stock savings bank in separate  
1002 conversion-merger proceedings and in simultaneous  
1003 conversion-merger proceedings.

1004 (2) The commissioner may promulgate rules and regulations to  
1005 facilitate the merger of mutual and stock savings banks.

1006 SECTION 34. Section 81-14-117, Mississippi Code of 1972, is  
1007 reenacted as follows:

1008           81-14-117. (1) Any combination of associations and state  
1009 savings banks may merge to form either an association or state  
1010 savings bank.

1011           (2) The commissioner shall promulgate rules and regulations  
1012 to facilitate the merger of associations and state savings banks.

1013           SECTION 35. Section 81-14-119, Mississippi Code of 1972, is  
1014 reenacted as follows:

1015           81-14-119. (1) Any two (2) or more depository institutions,  
1016 when one or more is a state savings bank and one or more is a  
1017 federal depository institution operating in Mississippi, may merge  
1018 under either a state savings bank charter or a federal charter.

1019           (2) The commissioner shall promulgate rules and regulations  
1020 to facilitate the merger of federal depository institutions and  
1021 state savings banks.

1022           SECTION 36. Section 81-14-121, Mississippi Code of 1972, is  
1023 reenacted as follows:

1024           81-14-121. At any annual or special meeting called for such  
1025 purpose, a savings bank may, by an affirmative vote in person or  
1026 by proxy of at least two-thirds (2/3) of the total number of  
1027 shares or votes which all members or stockholders of the  
1028 association are entitled to cast, resolve to dissolve and  
1029 liquidate the savings bank and adopt a plan of voluntary  
1030 dissolution. Upon adoption of such resolution and plan of  
1031 voluntary dissolution, the members or stockholders shall proceed  
1032 to elect not more than three (3) liquidators who shall post bond  
1033 as required by the commissioner. The liquidators shall have full  
1034 power to execute the plan. The procedure thereafter shall be as  
1035 follows:

1036           (a) A copy of the resolution certified by an  
1037 appropriate officer of the savings bank, the minutes of the  
1038 meeting of members or stockholders, the plan of liquidation and an  
1039 itemized statement of the savings bank's assets and liabilities  
1040 sworn to by a majority of its board of directors, shall be filed



1041 with the commissioner. The minutes of the meeting of members or  
1042 stockholders shall be certified by an appropriate officer of the  
1043 institution and shall set forth the notice given and the time of  
1044 mailing thereof, the vote on the resolution and the total number  
1045 of shares or votes which all members of the savings bank were  
1046 entitled to cast thereon, and the names of the liquidators  
1047 elected.

1048 (b) If the commissioner finds that the proceedings are  
1049 in accordance with the provisions of this chapter and that the  
1050 plan of liquidation is not reasonably unfair to any person  
1051 affected, he shall attach his certificate of approval to the plan  
1052 and shall forward one (1) copy to the liquidators and one (1) copy  
1053 to the savings bank's federal deposit account insurance  
1054 corporation. Once the commissioner has approved the resolution and  
1055 the plan of liquidation, it shall thereafter be unlawful for such  
1056 savings bank to accept any additional deposit accounts or  
1057 additions to deposit accounts or make any additional loans. All  
1058 of the income and receipts in excess of actual expenses of  
1059 liquidation of the savings bank shall be applied to the discharge  
1060 of its liabilities.

1061 (c) The liquidator or liquidators so appointed shall be  
1062 paid a reasonable compensation by the liquidating savings bank  
1063 subject to the approval of the commissioner.

1064 (d) The plan shall become effective upon the recording  
1065 of the commissioner's certificate of approval in the manner  
1066 required by this chapter for the recording of the certificate of  
1067 incorporation.

1068 (e) The liquidation of the savings bank shall be  
1069 subject to the supervision and examination of the commissioner.

1070 SECTION 37. Section 81-14-123, Mississippi Code of 1972, is  
1071 reenacted as follows:

1072           81-14-123. (1) The commissioner shall promulgate rules and  
1073 regulations governing the dissolution and liquidation of state  
1074 savings banks.

1075           (2) Upon completion of liquidation, the liquidators shall  
1076 file with the commissioner a final report and accounting of the  
1077 liquidation. The approval of the report by the commissioner shall  
1078 operate as a complete and final discharge of the liquidators, the  
1079 board of directors and each member or stockholder in connection  
1080 with the liquidation of the savings bank. Upon approval of the  
1081 report, the commissioner shall issue a certificate of dissolution  
1082 of the savings bank and shall record such certificate in the  
1083 manner required by this chapter for the recording of certificates  
1084 of incorporation. Upon such recording, the dissolution shall be  
1085 effective.

1086           SECTION 38. Section 81-14-125, Mississippi Code of 1972, is  
1087 reenacted as follows:

1088           81-14-125. No savings bank shall declare or pay any dividend  
1089 upon its common stock unless such savings bank has received  
1090 written approval by the Commissioner of Banking and Consumer  
1091 Finance. Directors declaring a dividend in violation of the  
1092 provisions of this section shall be personally liable to the full  
1093 amount of the dividend so declared and it shall be the duty of the  
1094 commissioner, upon discovering the payment of any such dividend,  
1095 to forthwith make demand upon the directors that the same be  
1096 restored to the savings bank, and upon their failure so to do he  
1097 shall cause suit to be brought against them in the chancery court  
1098 of the county in which the savings bank is located, either in his  
1099 name or in the name of the savings bank, to recover the same for  
1100 the benefit of the savings bank.

1101           SECTION 39. Section 81-14-127, Mississippi Code of 1972, is  
1102 reenacted as follows:

1103           81-14-127. (1) Notwithstanding any other provision of this  
1104 chapter, in order to protect the public, the commissioner, upon

1105 making a finding that a state savings bank is unable to operate in  
1106 a safe and sound manner, may authorize or require a short form  
1107 merger and conversion of the state savings bank, or any other  
1108 transaction, as to which the finding is made.

1109 (2) The commissioner shall promulgate rules and regulations  
1110 to govern mergers, consolidations, conversions, combination  
1111 mergers and conversions and other supervisory action authorized by  
1112 this section.

1113 SECTION 40. Section 81-14-129, Mississippi Code of 1972, is  
1114 reenacted as follows:

1115 81-14-129. (1) Article 2 of this chapter shall not apply to  
1116 applications for permission to organize an interim state savings  
1117 bank so long as the application is approved by the commissioner.

1118 (2) Preliminary approval of an application for permission to  
1119 organize an interim state savings bank shall be conditional upon  
1120 the commissioner's approval of an application to merge the interim  
1121 savings bank and an existing stock savings bank or on the  
1122 commissioner's approval of any other transaction.

1123 (3) The commissioner shall promulgate rules and regulations  
1124 to govern the formation of interim savings banks authorized by  
1125 this section.

1126 SECTION 41. Section 81-14-151, Mississippi Code of 1972, is  
1127 reenacted as follows:

1128 81-14-151. The commissioner is empowered and directed to  
1129 perform the duties and exercise the powers as to savings banks  
1130 organized or operated under this chapter, except as otherwise  
1131 provided herein.

1132 SECTION 4. Section 81-14-153, Mississippi Code of 1972, is  
1133 reenacted as follows:

1134 81-14-153. (1) The commissioner shall have the authority to  
1135 promulgate rules, instructions and regulations necessary to the  
1136 discharge of his duties and powers for the supervision and

1137 regulation of savings banks and for the protection of the public  
1138 investment in savings banks.

1139 (2) Without limiting the generality of subsection (1),  
1140 rules, instructions and regulations may be promulgated with  
1141 respect to:

1142 (a) Reserve requirements;

1143 (b) Stock ownership and dividends;

1144 (c) Stock transfers;

1145 (d) Incorporators, stockholders, directors, officers  
1146 and employees of a savings bank;

1147 (e) Bylaws;

1148 (f) The operation of savings banks;

1149 (g) Deposit accounts, bonus plans and contracts for  
1150 savings programs;

1151 (h) Loans and loan expenses;

1152 (i) Investments;

1153 (j) Forms and definitions;

1154 (k) Types of financial records to be maintained by  
1155 savings banks;

1156 (l) Retention periods of various financial records;

1157 (m) Internal control procedures of savings banks;

1158 (n) Conduct and management of savings banks;

1159 (o) Chartering and branching;

1160 (p) Liquidations;

1161 (q) Mergers;

1162 (r) Conversions;

1163 (s) Reports which may be required by the commissioner;

1164 (t) Conflicts of interest;

1165 (u) Service corporations; and

1166 (v) Holding companies.

1167 (3) Any state savings bank may cause any or all of its  
1168 records in its custody to be reproduced in a format of storage  
1169 commonly used, whether electronic, imaged, magnetic,

1170 microphotographic, or otherwise, and any reproduction so made  
1171 shall have the same force and effect as the original thereof and  
1172 be admitted in evidence equally with the original.

1173 SECTION 43. Section 81-14-155, Mississippi Code of 1972, is  
1174 reenacted as follows:

1175 81-14-155. (1) If at any time the commissioner deems it  
1176 prudent, it shall be his duty to examine and investigate  
1177 everything relating to the business of a state savings bank, or a  
1178 holding company thereof, and to appoint a suitable and competent  
1179 person to make such investigation. The investigator shall file  
1180 with the commissioner a full report of his finding in such case,  
1181 including in his report any violation of law, or any unauthorized  
1182 or unsafe practices of the savings bank, disclosed by his  
1183 examination.

1184 (2) The commissioner shall furnish a copy of such report to  
1185 the savings bank under investigation and may, upon request,  
1186 furnish a copy of the report to the insurer of accounts.

1187 (3) No savings bank shall willfully delay or willfully  
1188 obstruct an examination in any fashion. Any person failing to  
1189 comply with this subsection shall be guilty of a misdemeanor.

1190 (4) No person having in his possession or control any books,  
1191 accounts or papers of any state savings bank shall refuse to  
1192 exhibit such books, accounts or papers to the commissioner or his  
1193 agents on demand, or shall knowingly or willingly make any false  
1194 statement in regard to such books, accounts or papers. Any person  
1195 failing to comply with this subsection shall be guilty of a  
1196 misdemeanor.

1197 SECTION 44. Section 81-14-157, Mississippi Code of 1972, is  
1198 reenacted as follows:

1199 81-14-157. (1) Every state savings bank, including savings  
1200 banks in the process of voluntary liquidation, or a holding  
1201 company thereof, shall pay into the office of the commissioner an  
1202 annual supervisory fee and fees for various activities in the same

1203 amounts and in the same manner as charged to savings associations  
1204 under Section 81-12-193.

1205 (2) All funds and revenue collected by the department under  
1206 the provisions of this section and all other sections of this  
1207 chapter which authorize the collection of fees and other funds,  
1208 except for the civil penalties provided in Sections 81-14-203 and  
1209 81-14-205, shall be deposited with the State Treasurer to the  
1210 credit of the department and expended solely to defray expenses  
1211 incurred by the office of the commissioner in carrying out the  
1212 supervisory and auditing functions. The civil penalties provided  
1213 in Sections 81-14-203 and 81-14-205 shall be deposited into the  
1214 State General Fund, unless such penalty is appealed to a court of  
1215 competent jurisdiction as provided in Section 81-14-213, in which  
1216 case such penalty shall then be deposited with the State Treasurer  
1217 to the credit of the department until such appeal is resolved. If  
1218 such appeal is resolved in favor of the department, then the  
1219 commissioner shall notify and direct the State Treasurer to  
1220 transfer the amount of such fine from the credit of the department  
1221 to the credit of the State General Fund.

1222 (3) Notwithstanding any of the provisions of this section,  
1223 whenever the commissioner under the provisions of Section  
1224 81-14-155 appoints a suitable and competent person, other than a  
1225 person employed by the commissioner's office, to make an  
1226 examination and investigation of the business of a state savings  
1227 bank, all costs and expenses relative to such examination and  
1228 investigation shall be paid by such savings bank.

1229 SECTION 45. Section 81-14-159, Mississippi Code of 1972, is  
1230 reenacted as follows:

1231 81-14-159. (1) If, in the opinion of the commissioner an  
1232 examination conducted under the provisions of Section 81-14-155  
1233 fails to disclose the complete financial condition of a savings  
1234 bank, he may in order to ascertain its complete financial  
1235 condition:

1236           (a) Make an extended audit or examination of the  
1237 savings bank, or cause such an audit or examination to be made by  
1238 an independent auditor;

1239           (b) Make an extended revaluation of any of the assets  
1240 or liabilities of the savings bank, or cause an independent  
1241 appraiser to make such revaluation.

1242           (2) The commissioner shall collect from the savings bank a  
1243 reasonable sum for actual or necessary expenses of such an audit,  
1244 examination or revaluation.

1245           SECTION 46. Section 81-14-161, Mississippi Code of 1972, is  
1246 reenacted as follows:

1247           81-14-161. (1) The commissioner and his agents:

1248           (a) Shall have free access to all books and records of  
1249 a savings bank, or a service corporation or holding company  
1250 thereof, that relate to its business, and the books and records  
1251 kept by any officer, agent or employee relating to the business of  
1252 the savings bank;

1253           (b) May subpoena witnesses and administer oaths or  
1254 affirmations in the examination of any director, officer, agent or  
1255 employee of a savings bank, or a service corporation or holding  
1256 company thereof, or of any other person in relation to its  
1257 affairs, transactions and conditions;

1258           (c) May require the production of records, books,  
1259 papers, contracts and other documents; and

1260           (d) May order that improper entries be corrected on the  
1261 books and records of a savings bank.

1262           (2) The commissioner may issue subpoenas duces tecum.

1263           (3) If a person fails to comply with a subpoena so issued by  
1264 the commissioner, or a party or witness refuses to testify on any  
1265 matters, a court of competent jurisdiction, on the application of  
1266 the commissioner, shall compel compliance by proceedings for  
1267 contempt as in the case of disobedience of the requirements of a

1268 subpoena issued from such court or a refusal to testify in such  
1269 court.

1270 SECTION 47. Section 81-14-163, Mississippi Code of 1972, is  
1271 reenacted as follows:

1272 81-14-163. (1) The commissioner may direct the making of  
1273 test appraisals of real estate and other collateral securing loans  
1274 made by savings banks doing business in this state, employ  
1275 competent appraisers, or prescribe a list from which competent  
1276 appraisers may be selected, for the making of such appraisals by  
1277 the commissioner, or any and all other acts incident to the making  
1278 of such test appraisals.

1279 (2) In lieu of such appraisals, the commissioner may accept  
1280 an appraisal caused to be made by the insurer of accounts.

1281 (3) The expense and cost of test appraisals made pursuant to  
1282 this section shall be defrayed by the savings bank subjected to  
1283 such test appraisals. Each savings bank doing business in this  
1284 state shall pay all reasonable costs and expenses of such test  
1285 appraisals when directed.

1286 SECTION 48. Section 81-14-165, Mississippi Code of 1972, is  
1287 reenacted as follows:

1288 81-14-165. (1) Except as provided by subsection (3) of this  
1289 section, a savings bank, or any director, officer, employee or  
1290 representative thereof, shall not grant, directly or indirectly,  
1291 to the commissioner or to any employee of the department, or to  
1292 their spouses, any loan or gratuity.

1293 (2) Neither the commissioner, nor any employee of the  
1294 department, shall:

1295 (a) Hold an office or position in any state savings  
1296 bank, or exercise any right to vote on any state savings bank  
1297 matter by reason of being a member of the savings bank;

1298 (b) Be interested, directly or indirectly, in any  
1299 savings bank organized under the laws of this state; or



1300 (c) Undertake any indebtedness as a borrower, directly  
1301 or indirectly, or act as endorser, surety or guarantor, or sell,  
1302 or otherwise dispose of, any loan or investment to any savings  
1303 bank organized under the laws of this state.

1304 (3) Notwithstanding subsection (2) of this section, the  
1305 commissioner, or any employee of the department, may be a deposit  
1306 account holder, may receive earnings on such account and may  
1307 receive a loan secured by the deposit account.

1308 (4) If the commissioner, or any employee of the department,  
1309 has any prohibited right or interest in a savings bank, either  
1310 directly or indirectly, at the time of his appointment, he shall  
1311 dispose of it within sixty (60) days after the date of his  
1312 appointment or employment. If the commissioner, or any employee  
1313 of the department, is indebted as a borrower, directly or  
1314 indirectly, or is an endorser, surety or guarantor on a note at  
1315 the time of his appointment or employment, he may continue in such  
1316 capacity until such loan is paid off.

1317 (5) If the commissioner, or any employee of the department,  
1318 has a loan or other note acquired by a state savings bank through  
1319 the secondary market, he may continue with the debt until such  
1320 loan or note is paid off.

1321 SECTION 49. Section 81-14-167, Mississippi Code of 1972, is  
1322 reenacted as follows:

1323 81-14-167. (1) The following records or information of the  
1324 board, the commissioner, or the agent(s) of either, shall be  
1325 confidential and shall not be disclosed:

1326 (a) Information obtained or compiled in preparation of,  
1327 or anticipation of, or during an examination, audit or  
1328 investigation of any institution.

1329 (b) Information reflecting the specific collateral  
1330 given by a named borrower, the specific amount of stock owned by a  
1331 named stockholder, or specific deposit accounts held by a named  
1332 member or customer;

1333           (c) Information obtained, prepared or compiled during  
1334 or as a result of an examination, audit or investigation of any  
1335 savings bank by an agency of the United States, if the records  
1336 would be confidential under federal law or regulation;

1337           (d) Information and reports submitted by savings banks  
1338 to federal regulatory agencies, if the records or information  
1339 would be confidential under federal law or regulation;

1340           (e) Information and records regarding complaints from  
1341 the public received by the department which concern savings banks  
1342 when the complaint could result in an investigation, except to the  
1343 management of those savings banks;

1344           (f) Any other letters, reports, memoranda, recordings,  
1345 charts or other documents or records which would disclose any  
1346 information of which disclosure is prohibited in this subsection.

1347           (2) A court of competent jurisdiction may order the  
1348 disclosure of specific information.

1349           (3) The information contained in an application shall be  
1350 deemed to be public information. Disclosure shall not extend to  
1351 the financial statement of the incorporators nor to any further  
1352 information deemed by the commissioner to be confidential.

1353           (4) Nothing in this section shall prevent the exchange of  
1354 information relating to savings banks and the business thereof  
1355 with the representatives of the agencies of this state, other  
1356 states, or of the United States, or with reserve or insuring  
1357 agencies for savings banks. The private business and affairs of  
1358 an individual or company shall not be disclosed by any person  
1359 employed by the department, any member of the board, or by any  
1360 person with whom information is exchanged under the authority of  
1361 this subsection.

1362           (5) Any official or employee violating this section shall be  
1363 liable to any person injured by disclosure of such confidential  
1364 information for all damages sustained thereby.

1365 SECTION 50. Section 81-14-169, Mississippi Code of 1972, is  
1366 reenacted as follows:

1367 81-14-169. The commissioner shall call upon each state  
1368 savings bank for the reports required in this section. Such calls  
1369 shall be made by the commissioner in writing by letter or other  
1370 similar means of written communications for the same dates and as  
1371 often as calls are issued by the appropriate federal regulating  
1372 authority for reports from federal savings banks. The  
1373 commissioner shall prescribe the forms for such reports. The  
1374 reports shall be sworn to by either the president, vice president  
1375 or cashier of the savings bank making them, attested by not less  
1376 than two (2) of the board of directors, and shall exhibit in  
1377 detail, under appropriate heads, the total resources and total  
1378 liabilities of the bank on the day specified by the commissioner.  
1379 Savings banks shall transmit to the department such call reports  
1380 within a time limitation established by regulation by the  
1381 commissioner; however, such time limitation cannot exceed that set  
1382 by the Federal Deposit Insurance Corporation for state insured  
1383 savings banks. For any failure or delay in furnishing this  
1384 report, the president, vice president or cashier of any such  
1385 savings bank, so in default, and the members of the board of  
1386 directors of the savings bank refusing to attest the report, shall  
1387 be subject to an administrative fine, which may be imposed by the  
1388 commissioner, of Fifty Dollars (\$50.00) a day for each day while  
1389 in such default.

1390 SECTION 51. Section 81-14-171, Mississippi Code of 1972, is  
1391 reenacted as follows:

1392 81-14-171. The commissioner shall require that every state  
1393 savings bank have its affairs audited at least once a year. The  
1394 commissioner shall review such audit within a reasonable time  
1395 after its completion.

1396 SECTION 52. Section 81-14-173, Mississippi Code of 1972, is  
1397 reenacted as follows:

1398           81-14-173. Any person who shall engage in any of the  
1399 following acts shall be guilty of a misdemeanor and, upon  
1400 conviction thereof, shall be fined or imprisoned, or both, in the  
1401 discretion of the court:

1402           (a) Defamation: Making, publishing, disseminating or  
1403 circulating any oral, written or printed statement regarding the  
1404 financial condition of any savings bank which is false.

1405           (b) False information and advertising: Making,  
1406 publishing, disseminating, circulation or otherwise placing before  
1407 the public in any publication, media, notice, pamphlet, letter,  
1408 poster, or any other way, an advertisement, announcement or  
1409 statement containing any assertion representation, or statement  
1410 with respect to the savings bank business or with respect to any  
1411 person in the conduct of the savings bank business which is  
1412 untrue, deceptive or misleading.

1413           SECTION 53. Section 81-14-175, Mississippi Code of 1972, is  
1414 reenacted as follows:

1415           81-14-175. Unless otherwise provided in this chapter, any  
1416 interested person aggrieved by any rule, regulation or order of  
1417 the commissioner and/or the board, as applicable, shall have the  
1418 right, regardless of the amount involved, to appeal to the Circuit  
1419 Court of the First Judicial District of Hinds County. However, if  
1420 the appellant is an applicant for a charter, the appeal shall be  
1421 taken to the circuit court of the county in which the proposed  
1422 institution is domiciled; or if the appellant is seeking to  
1423 establish a branch office, the appeal shall be taken to the  
1424 circuit court of the county in which the proposed branch is  
1425 located. Such appeal shall be taken and perfected as hereinafter  
1426 provided, within thirty (30) days from the date of such final  
1427 rule, regulation or order. The circuit court may affirm such  
1428 rule, regulation or order, or remand for further proceedings as  
1429 justice may require. All such appeals shall be taken and  
1430 perfected, heard either in termtime or in vacation, and shall be

1431 heard and disposed of promptly by the court as a preference cause.  
1432 In perfecting any appeal provided by this section, the provisions  
1433 of law respecting notice to the reporter and the allowance of  
1434 bills of exception, now or hereafter in force, and those  
1435 provisions respecting appeals from the circuit court to supreme  
1436 court shall be applicable. However, the reporter shall transcribe  
1437 his notes and file the transcript of the record with the  
1438 commissioner or board within thirty (30) days after approval of  
1439 the appeal bond. Upon the filing with the commissioner or board  
1440 of a petition for appeal to the circuit court, it shall be the  
1441 duty of the commissioner or board, within sixty (60) days after  
1442 approval of the appeal bond to file with the clerk of the circuit  
1443 court to which the appeal is taken a copy of the petition for  
1444 appeal, the rule, regulation or order appealed from, and the  
1445 original and one (1) copy of the transcript of the record of  
1446 proceedings in evidence before the commissioner or board. After  
1447 the filing of such petition, the appeal shall be perfected by  
1448 filing of bond in the sum of Five Hundred Dollars (\$500.00) with  
1449 two (2) sufficient sureties, or with a surety company qualified to  
1450 do business in Mississippi as the surety, conditioned to pay the  
1451 cost of such appeal. Such bond shall be approved by the  
1452 commissioner or by the clerk of the court to which such appeal is  
1453 taken. The perfection of an appeal shall not stay or suspend the  
1454 operation of any rule, regulation or order of the commissioner or  
1455 board, but the judge of such circuit court may award a writ of  
1456 supersedeas to any rule, regulation or order of the commissioner  
1457 or board after five (5) days' notice to the commissioner or board.  
1458 Any order or judgment staying the operation of any rule,  
1459 regulation or order of the commissioner or board shall contain a  
1460 specific finding, based upon evidence submitted to the circuit  
1461 judge and identified by reference thereto, that irreparable damage  
1462 would result to the appellant if he is denied relief. Such stay  
1463 shall not become effective until a supersedeas bond shall have

1464 been executed and filed with and approved by the clerk of the  
1465 court payable to the state. The bond shall be in an amount fixed  
1466 by the circuit judge and conditioned as said circuit judge may  
1467 direct.

1468 SECTION 54. Section 81-14-177, Mississippi Code of 1972, is  
1469 reenacted as follows:

1470 81-14-177. In all examinations no savings bank shall be  
1471 allowed credit in excess of its sound value for a note or security  
1472 of which the principal and interest is over twelve (12) months  
1473 past due; nor for any bond in excess of the real value thereof;  
1474 nor for any stock of its own held more than twelve (12) months;  
1475 nor for any unsecured overdrafts that may have existed for a  
1476 greater period than thirty (30) days next preceding it, except  
1477 that the period shall be ninety (90) days for unsecured overdrafts  
1478 upon which interest is being charged if the savings bank has a  
1479 written policy authorizing such overdrafts for not more than  
1480 ninety (90) days. Only such overdrafts shall be considered as  
1481 secure as are advanced against products or actual existing values  
1482 evidenced by warehouse receipts or bills of lading, against bills  
1483 of exchange drawn in good faith against actual existing values, or  
1484 against funds on deposit by the depositor whose account is  
1485 overdrawn, and who has pledged those funds as security for such  
1486 overdraft, and in making up the statement of the condition of such  
1487 savings bank any such item shall be charged off (but if desired a  
1488 note shall be appended giving details thereof). But the  
1489 discretion of the commissioner or examiner may be exercised in  
1490 cases of estates in litigation or administration, and in pending  
1491 suits, if the security affected thereby is ample, in the opinion  
1492 of the commissioner or examiner making such examination.

1493 SECTION 55. Section 81-14-179, Mississippi Code of 1972, is  
1494 reenacted as follows:

1495 81-14-179. A copy of the call reports of any savings bank  
1496 shall be furnished to any person or corporation requesting the

1497 same for a reasonable fee prescribed by the commissioner, which  
1498 shall be collected by the commissioner and shall be paid into the  
1499 department maintenance fund. If the commissioner fails or refuses  
1500 to furnish copies of the report when so requested and tendered the  
1501 proper fee; or if he fails to account for any such fees received  
1502 by him; or if any person other than the commissioner, deputy  
1503 commissioner, an examiner, or assistant furnishes any copy of such  
1504 savings bank report to anyone, whether for a consideration or  
1505 without consideration, such person shall be guilty of a  
1506 misdemeanor and shall be fined not less than Fifty Dollars  
1507 (\$50.00) or be imprisoned not more than one (1) month in the  
1508 county jail, or both. However, this section shall not be  
1509 construed to prevent any officer of the savings bank from  
1510 furnishing to anyone a statement of such savings bank.

1511 SECTION 56. Section 81-14-201, Mississippi Code of 1972, is  
1512 reenacted as follows:

1513 81-14-201. (1) If any person or savings bank is engaging  
1514 in, or has engaged in, or is about to engage in, any unsafe or  
1515 unsound practice, or unfair and discriminatory practice, in  
1516 conducting the savings bank's business, or violation of any other  
1517 law, rule, regulation, order or condition imposed in writing by  
1518 the commissioner, the commissioner may issue a notice of charges  
1519 to such person or institution. A notice of charges shall specify  
1520 the acts alleged to sustain a cease and desist order, and state  
1521 the time and place at which a hearing shall be held. A hearing  
1522 before the commissioner on the charges shall be held no earlier  
1523 than seven (7) days, and no later than fifteen (15) days, after  
1524 issuance of the notice. The charged institution is entitled to a  
1525 further extension of seven (7) days upon filing a request with the  
1526 commissioner. The commissioner may also issue a notice of charges  
1527 if he has reasonable grounds to believe that any person or savings  
1528 bank is about to engage in any unsafe or unsound business  
1529 practice, or any violation of this chapter, or any other law,

1530 rule, regulation or order. If, by a preponderance of the  
1531 evidence, it is shown that any person or savings bank is engaged  
1532 in, or has been engaged in, or is about to engage in, any unsafe  
1533 or unsound business practice, or unfair and discriminatory  
1534 practice or any violation of this chapter, or any other law, rule,  
1535 regulation or order, a cease and desist order shall be issued  
1536 which shall be permanently binding upon the person or institution  
1537 until terminated by the commissioner.

1538 (2) If any person or state savings bank is engaging in, has  
1539 engaged in, or is about to engage in any unsafe or unsound  
1540 practice, or unfair and discriminatory practice, in conducting the  
1541 savings bank's business, or any violation of the act or of any  
1542 other law, rules, regulation, order or condition imposed in  
1543 writing by the commissioner, and the commissioner has determined  
1544 that immediate corrective action is required, the commissioner may  
1545 issue a temporary cease and desist order without prior notice. A  
1546 temporary cease and desist order shall be effective immediately  
1547 upon issuance for a period of fifteen (15) days, and may be  
1548 extended once for a period of fifteen (15) days. Such an order  
1549 shall state its duration on its face and the words "Temporary  
1550 Cease and Desist Order." A hearing before the commissioner shall  
1551 be held within the time that the order remains effective, at which  
1552 time a temporary order may be dissolved or made permanent.

1553 SECTION 57. Section 81-14-203, Mississippi Code of 1972, is  
1554 reenacted as follows:

1555 81-14-203. (1) Except as otherwise provided in this  
1556 article, any savings bank which is found to have violated any  
1557 provision of this article may be ordered to pay a civil penalty  
1558 not to exceed Twenty Thousand Dollars (\$20,000.00). Any savings  
1559 bank which is found to have violated or failed to comply with any  
1560 cease and desist order issued under the authority of this article  
1561 may be ordered to pay a civil penalty not to exceed Twenty



1562 Thousand Dollars (\$20,000.00) for each day that the violation or  
1563 failure to comply continues.

1564 (2) To enforce the provisions of this section, the  
1565 commissioner is authorized to assess such penalty and to appear in  
1566 a court of competent jurisdiction and to move the court to order  
1567 payment of the penalty. Prior to the assessment of the penalty, a  
1568 hearing shall be held by the commissioner.

1569 (3) Nothing in this section shall prevent anyone damaged by  
1570 a state savings bank from bringing a separate cause of action in a  
1571 court of competent jurisdiction.

1572 SECTION 58. Section 81-14-205, Mississippi Code of 1972, is  
1573 reenacted as follows:

1574 81-14-205. (1) Any person, whether a director, officer or  
1575 employee, who is found to have violated any provision of this  
1576 article, whether willfully, or as a result of gross negligence,  
1577 gross incompetency or recklessness, may be ordered to pay a civil  
1578 penalty not to exceed Five Thousand Dollars (\$5,000.00) per  
1579 violation. Any person who is found to have violated or failed to  
1580 comply with any cease and desist order issued under the authority  
1581 of this article may be ordered to pay a civil penalty not to  
1582 exceed Five Thousand Dollars (\$5,000.00) per violation for each  
1583 day that the violation or failure to comply continues.

1584 (2) To enforce the provisions of this section, the  
1585 commissioner is authorized to assess such penalty, to appear in a  
1586 court of competent jurisdiction and to move the court to order  
1587 payment of the penalty. Prior to the assessment of the penalty, a  
1588 hearing shall be held by the commissioner.

1589 (3) Nothing in this section shall prevent anyone damaged by  
1590 a director, officer or employee of a state savings bank from  
1591 bringing a separate cause of action in a court of competent  
1592 jurisdiction.

1593 SECTION 59. Section 81-14-207, Mississippi Code of 1972, is  
1594 reenacted as follows:

1595           81-14-207. (1) Whenever the commissioner determines that a  
1596 solvent savings bank is conducting its business in an unsafe or  
1597 unsound manner, or in any fashion which threatens the financial  
1598 integrity or sound operation of the savings bank, the commissioner  
1599 may serve a notice of charges on the savings bank, requiring it to  
1600 show why it should not be placed under supervisory control. Such  
1601 notice of charges shall specify the grounds for supervisory  
1602 control, and set the time and place for a hearing. A hearing  
1603 before the commissioner pursuant to such notice shall be held  
1604 within fifteen (15) days after issuance of the notice of charges.

1605           (2) If, after the hearing provided above, the commissioner  
1606 determines that supervisory control of the savings bank is  
1607 necessary to protect the savings bank's members, customers,  
1608 stockholders or creditors, or the general public, the commissioner  
1609 shall issue an order taking supervisory control of the savings  
1610 bank.

1611           (3) If the order taking supervisory control becomes final,  
1612 the commissioner may appoint an agent to supervise and monitor the  
1613 operations of the savings bank during the period of supervisory  
1614 control. During the period of supervisory control, the savings  
1615 bank shall act in accordance with such instructions as may be  
1616 given by the commissioner, directly or through his supervisory  
1617 agent, and shall not fail to act, except when to do so would  
1618 violate an outstanding cease and desist order.

1619           (4) Within one hundred eighty (180) days of the date the  
1620 order taking supervisory control becomes final, the commissioner  
1621 shall issue an order approving a plan for the termination of  
1622 supervisory control. The plan may provide for:

1623                   (a) The issuance by the savings bank of capital stock;

1624                   (b) The appointment of one or more officers and/or  
1625 directors;

1626                   (c) The reorganization, merger or consolidation of the  
1627 savings bank;

1628                   (d) The dissolution and liquidation of the savings  
1629 bank;

1630                   (e) Other such measures as determined by the  
1631 commissioner.

1632           The order approving the plan shall not take effect until  
1633 thirty (30) days after issuance during which time period an appeal  
1634 may be filed in accordance with the provisions of Section  
1635 81-14-175.

1636           (5) All costs of this proceeding shall be paid by the  
1637 savings bank.

1638           (6) For the purpose of this section, an order shall be  
1639 deemed final if:

1640                   (a) No appeal is filed within the specific time allowed  
1641 for the appeal; or

1642                   (b) All judicial appeals are exhausted.

1643           (7) If a savings bank is insolvent, the provisions of  
1644 Section 81-14-211 shall apply.

1645           SECTION 60. Section 81-14-209, Mississippi Code of 1972, is  
1646 reenacted as follows:

1647           81-14-209. (1) If, in the commissioner's opinion, any  
1648 director, officer or employee of any savings bank has participated  
1649 in, or consented to, any violation of this chapter, or any other  
1650 law, rule, regulation or order, or any unsafe or unsound business  
1651 practice in the operation of any savings bank, or any insider loan  
1652 not specifically authorized by or pursuant to this chapter, or any  
1653 repeated violation of, or failure to comply with, any savings  
1654 bank's bylaws, the commissioner may serve a written notice of  
1655 charges upon such director, officer or employee and the savings  
1656 bank, stating his intent to remove such director, officer or  
1657 employee. Such notice shall specify the alleged conduct of such  
1658 director, officer or employee and shall state the place for a  
1659 hearing before the commissioner. A hearing shall be held no  
1660 earlier than fifteen (15) days, but no later than thirty (30)

1661 days, after the notice of charges is served. If, after the  
1662 hearing, the commissioner determines that the charges asserted  
1663 have been proven by a preponderance of the evidence, the  
1664 commissioner may issue an order removing the director, officer or  
1665 employee in question. Such an order shall be effective upon  
1666 issuance and may include the entire board of directors or all of  
1667 the officers of the savings bank.

1668 (2) If it is determined that any director, officer or  
1669 employee of any savings bank has knowingly participated in, or  
1670 consented to, any violation of this chapter, or any other law,  
1671 rule, regulation or order, or engaged in any unsafe or unsound  
1672 business practice in the operation of any savings bank, or any  
1673 repeated violation of, or failure to comply with, any savings  
1674 bank's bylaws, and that as a result, a situation exists requiring  
1675 immediate corrective action, the commissioner may issue an order  
1676 temporarily removing such person or persons pending a hearing.  
1677 Such an order shall state its duration on its face and the words  
1678 "Temporary Order of Removal" and shall be effective upon issuance  
1679 for a period of fifteen (15) days. Such order may be extended  
1680 once for a period of fifteen (15) days. A hearing must be held  
1681 within ten (10) days of the expiration of a temporary order, or  
1682 any extension thereof, at which time a temporary order may be  
1683 dissolved or converted to a permanent order.

1684 (3) Any removal pursuant to subsection (1) or (2) of this  
1685 section shall be effective in all respects as if such removal has  
1686 been made by the board of directors and the members or  
1687 stockholders of the savings bank in question.

1688 (4) Without the prior written approval of the commissioner,  
1689 no director, officer or employee permanently removed pursuant to  
1690 this section shall be eligible to be elected, reelected or  
1691 appointed to any position as a director, officer or employee of  
1692 that savings bank, nor shall such director, officer or employee be

1693 eligible to be elected to or retain a position as a director,  
1694 officer or employee of any other state savings bank.

1695 SECTION 61. Section 81-14-211, Mississippi Code of 1972, is  
1696 reenacted as follows;

1697 81-14-211. (1) The commissioner may take custody of the  
1698 books, records and assets of every kind of any savings bank  
1699 organized and operated under the provisions of this chapter for  
1700 any of the purposes hereinafter enumerated if it reasonably  
1701 appears from examinations or from reports made to the commissioner  
1702 that:

1703 (a) The directors, officers or liquidators have  
1704 neglected, failed or refused to take such action which the  
1705 commissioner may deem necessary for the protection of the savings  
1706 bank, or have impeded or obstructed an examination; or

1707 (b) The net worth of the savings bank is impaired to  
1708 the extent that the realizable value of its assets is insufficient  
1709 to pay in full its creditors and holders of deposit accounts; or

1710 (c) The business of the savings bank is being conducted  
1711 in a fraudulent, illegal or unsafe manner, or that the savings  
1712 bank is in an unsafe or unsound condition to transact business;  
1713 (any savings bank which, except as authorized in writing by the  
1714 commissioner, fails to make full payment of any withdrawal when  
1715 due is in an unsafe or unsound condition to transact business,  
1716 notwithstanding such provisions of the certificate of  
1717 incorporation or such statutes or regulations with respect to  
1718 payment of withdrawals in event a savings bank does not pay all  
1719 withdrawals in full); or

1720 (d) The officers, directors or employees have assumed  
1721 duties or performed acts in excess of those authorized by statute  
1722 or regulation or charter, or without supplying the required bond;  
1723 or

1724 (e) The savings bank has experienced a substantial  
1725 dissipation of assets or earnings due to any violation of statute

1726 or regulation, or due to any unsafe or unsound practice or  
1727 practices; or

1728 (f) The savings bank is insolvent, or is in imminent  
1729 danger of insolvency, or has suspended its ordinary business  
1730 transactions due to insufficient funds; or

1731 (g) The savings bank is unable to continue operations.

1732 (2) Unless the commissioner finds that such an emergency  
1733 exists which may result in loss to members, deposit account  
1734 holders, stockholders or creditors, and which requires that he  
1735 take custody immediately, the commissioner shall first give  
1736 written notice to the directors and officers specifying the  
1737 conditions criticized and allowing a reasonable time for  
1738 corrections before a receiver shall be appointed.

1739 (3) The purpose for which the commissioner may take custody  
1740 of a savings bank include, but are not limited to, examination or  
1741 further examination, conservation of its assets, restoration of  
1742 impaired capital, and the making of any reasonable or equitable  
1743 adjustment deemed necessary by the commissioner under any plan of  
1744 reorganization.

1745 (4) If the commissioner, after taking custody of a savings  
1746 bank, finds that one or more of the reasons for having taken  
1747 custody continues to exist through the period of his custody with  
1748 little or no likelihood of amelioration of the situation, then he  
1749 shall appoint as receiver or co-receiver any qualified person,  
1750 firm or corporation for the purpose of liquidation of the savings  
1751 bank. Such receiver shall furnish bond in form, amount and with  
1752 surety as the commissioner may require. The commissioner may  
1753 appoint the institution's deposit account insurance corporation or  
1754 its nominee as the receiver. Such insuring corporation shall be  
1755 permitted to serve without posting bond.

1756 (5) In the event the commissioner appoints a receiver for a  
1757 savings bank, he shall mail a certified copy of the appointment  
1758 order by certified mail to the address of the savings bank, as it

1759 appears on the records of the department, to any previous receiver  
1760 or other legal custodian of the savings bank and to any court or  
1761 other authority to which such previous receiver or other legal  
1762 custodian is subject. Notice of such appointment may be published  
1763 in a newspaper of general circulation in the county where the  
1764 savings bank has its principal office.

1765 (6) Whenever a receiver for a savings bank is appointed  
1766 pursuant to subsection (4), the savings bank may within thirty  
1767 (30) days thereafter bring an action in the chancery court in the  
1768 county in which the home office of the institution is located for  
1769 an order to remove such receiver.

1770 (7) The duly appointed and qualified receiver shall take  
1771 possession promptly of such savings bank in accordance with the  
1772 terms of the appointment by service of a certified copy of the  
1773 commissioner's appointment order upon the savings bank at its  
1774 principal office through the officer or employee who is present  
1775 and appears to be in charge. Immediately upon taking possession  
1776 of the savings bank, the receiver shall take possession and title  
1777 of books, records and assets of the savings bank. The receiver,  
1778 by operation of law and without any conveyance or other  
1779 instrument, act or deed, shall succeed to all the rights, titles,  
1780 powers and privileges of the savings bank, its members or  
1781 stockholders, holders of deposit accounts, its officers and  
1782 directors, and to the titles of the books, records and assets of  
1783 any previous receiver or other legal custodian of the savings  
1784 bank. Such members, stockholders, holders of deposit accounts,  
1785 officers or directors shall not thereafter, except as hereinafter  
1786 expressly provided, exercise any such rights, powers or  
1787 privileges, or act in connection with any assets or property of  
1788 any nature of the savings bank in receivership. The commissioner  
1789 may at any time direct the receiver to return the savings bank to  
1790 its previous or newly constituted management. The commissioner  
1791 may provide for a meeting of the members or stockholders for any

1792 purpose, including the election of directors or an increase in the  
1793 number of directors, or both, or the election of an entire new  
1794 board of directors for any purpose, including the filling of  
1795 vacancies on the board, the removal of officers and the election  
1796 of new officers. Any such meeting of members or stockholders, or  
1797 of directors, shall be supervised or conducted by a representative  
1798 of the commission.

1799 (8) A duly appointed and qualified receiver shall have  
1800 authority to:

1801 (a) Demand, sue for, collect, receive and take into his  
1802 possession all the goods and chattels, rights and credits, monies  
1803 and effects, lands and tenements, books, papers, choses in action,  
1804 bills, notes and property of every description of the savings  
1805 bank;

1806 (b) Foreclose mortgages, deeds of trust and other liens  
1807 executed to the savings bank to the extent the savings bank would  
1808 have had such right;

1809 (c) Institute suits for the recovery of any estate,  
1810 property, damages or demands existing in favor of the savings  
1811 bank, and shall, upon his own application, be substituted as  
1812 plaintiff in the place of the savings bank in any suit or  
1813 proceeding pending at the time of his appointment;

1814 (d) Sell, convey and assign all the property rights and  
1815 interest owned by the savings bank;

1816 (e) Appoint agents to serve at his pleasure;

1817 (f) Examine and investigate papers and persons, and  
1818 pass on claims as provided in the regulations prescribed by the  
1819 commissioner;

1820 (g) Make and carry out agreements with the insuring  
1821 corporation or with any other financial institution for the  
1822 payment or assumption of the savings bank's liabilities, in whole  
1823 or in part, and to sell, convey, transfer, pledge or assign assets



1824 as security or otherwise and to make guarantees in connection  
1825 therewith; and

1826 (h) Perform all other acts which might be done by the  
1827 employees, officers and directors; such powers shall be continued  
1828 in effect until liquidation and dissolution, or until return of  
1829 the savings bank to its prior or newly constituted management.

1830 (9) A receiver may at any time during the receivership and  
1831 prior to final liquidation be removed and a replacement appointed  
1832 by the commissioner.

1833 (10) The commissioner may determine that such liquidation  
1834 proceedings should be discontinued. He may then remove the  
1835 receiver and restore or grant all the rights, powers and  
1836 privileges of its members and stockholders, customers, employees,  
1837 officers and directors, or newly constituted management. The  
1838 return of a savings bank to its management or to a newly  
1839 constituted management from the possession of a receiver shall, by  
1840 operation of law and without any conveyance or other instrument,  
1841 act or deed, vest in the savings bank the title to all property  
1842 held by the receiver in his capacity as a receiver for the savings  
1843 bank.

1844 (11) Claims against a state savings bank in receivership  
1845 shall have the following order of priority for payment:

1846 (a) Costs, expenses and debts of the savings bank  
1847 incurred on or after the date of the appointment of the receiver,  
1848 including compensation for the receiver;

1849 (b) Claims of holders of deposit accounts;

1850 (c) Claims of general creditors;

1851 (d) Claims of stockholders of a stock savings bank;

1852 (e) All remaining assets to members and stockholders in  
1853 an amount proportionate to their holdings as of the date of the  
1854 appointment of the receiver.

1855 (12) All claims of each class of priority described in  
1856 subsection (11) shall be paid in full so long as sufficient assets

1857 remain. Members of the class for which the receiver cannot make  
1858 payment in full because assets will be depleted shall be paid an  
1859 amount proportionate to their total claims.

1860 (13) The commissioner shall have the authority to direct the  
1861 payment of claims for which no provision is herein made, and may  
1862 direct the payment or claims within a class. The commissioner  
1863 shall have the authority to promulgate rules and regulations  
1864 governing the payment of claims by an institution in receivership.

1865 (14) When all assets of the savings bank have been fully  
1866 liquidated, all claims and expenses have been paid or settled and  
1867 the receiver has recommended a final distribution, the dissolution  
1868 of the savings bank in receivership shall be accomplished in the  
1869 following manner:

1870 (a) The receiver shall file with the commissioner a  
1871 detailed report, in a form to be prescribed by the commissioner,  
1872 of his acts and proposed final distribution and dissolution.

1873 (b) Upon the commissioner's approval of the final  
1874 report of the receiver, the receiver shall provide such notice,  
1875 and thereafter shall make such final distribution, in such manner  
1876 as the commissioner may direct.

1877 (c) When a final distribution has been made, except as  
1878 to any unclaimed funds, the receiver shall deposit such unclaimed  
1879 funds with the commissioner and shall deliver to the commissioner  
1880 all books and records of the dissolved institution.

1881 (d) Upon final dissolution of the savings bank in  
1882 receivership or at such time the receiver is relieved of his  
1883 duties, the commissioner shall cause an audit to be conducted,  
1884 during which the receiver shall be available to assist. The  
1885 accounts of the receiver shall then be ruled upon by the  
1886 commissioner and, if approved, the receiver shall thereupon be  
1887 given a final and complete discharge and release.

1888 SECTION 62. Section 81-14-213, Mississippi Code of 1972, is  
1889 reenacted as follows:

1890           81-14-213. Any person or state savings bank against whom a  
1891 cease and desist order is issued or a fine is imposed may have  
1892 such order or fine reviewed by a court of competent jurisdiction.  
1893 Except as otherwise provided, an appeal may be made only within  
1894 thirty (30) days of the issuance of the order or the imposition of  
1895 the fine, whichever is later.

1896           SECTION 63. Section 81-14-215, Mississippi Code of 1972, is  
1897 reenacted as follows:

1898           81-14-215. No person who is fined or penalized for a  
1899 violation of any criminal provision of this article shall be  
1900 reimbursed or indemnified in any fashion by the savings bank for  
1901 such fine or penalty.

1902           SECTION 64. Section 81-14-217, Mississippi Code of 1972, is  
1903 reenacted as follows:

1904           81-14-217. All penalties, fines and remedies provided by  
1905 this article shall be cumulative.

1906           SECTION 65. Section 81-14-219, Mississippi Code of 1972, is  
1907 reenacted as follows:

1908           81-14-219. The commissioner, with the approval of the  
1909 Governor, may impose a limitation upon the amounts withdrawable or  
1910 payable from deposit accounts of savings banks during any  
1911 specifically defined period when such limitation is in the public  
1912 interest and welfare.

1913           SECTION 66. Section 81-14-251, Mississippi Code of 1972, is  
1914 reenacted as follows:

1915           81-14-251. The membership of a mutual state savings bank  
1916 shall consist of:

1917           (a) Any person who holds deposit accounts in a savings  
1918 bank; or

1919           (b) Any person who borrows funds and becomes obligated  
1920 on a loan from the savings bank, for such time as the loan remains  
1921 unpaid, or the borrower remains liable to the savings bank for the  
1922 payment thereof.

1923 Any person in his own right, or in a trust or other fiduciary  
1924 capacity, or any partnership, association, corporation, political  
1925 subdivision or public or government unit or entity may become a  
1926 member of a mutual savings bank. Members shall possess such  
1927 voting rights and other rights as provided by a savings bank's  
1928 certificate of incorporation and bylaws. Such members shall be  
1929 considered the owners of a mutual savings bank.

1930 SECTION 67. Section 81-14-253, Mississippi Code of 1972, is  
1931 reenacted as follows:

1932 81-14-253. (1) The directors of a mutual savings bank shall  
1933 be elected by the members at an annual meeting, held pursuant to  
1934 the terms of Section 81-14-261, for such terms as the bylaws of  
1935 the savings bank may provide. Director's terms may be specified  
1936 in the certificate of incorporation. Voting for directors by  
1937 deposit account holders shall be weighted according to the total  
1938 amount of deposit accounts held by such members, subject to any  
1939 maximum number of votes per member which a savings bank may choose  
1940 to prescribe in its bylaws. Voting rights for borrowers shall be  
1941 as prescribed in the bylaws. Such requirements shall be fully  
1942 prescribed in a detailed manner in the bylaws of the savings bank.

1943 (2) Each director of a state savings bank shall, in his own  
1944 name, own capital stock in, or have a deposit relationship with  
1945 the state savings bank on an unencumbered basis as follows:

1946 (a) For stock savings banks under Fifty Million Dollars  
1947 (\$50,000,000.00) in assets, stock ownership in the institution or  
1948 its holding company of Two Thousand Five Hundred Dollars  
1949 (\$2,500.00) in market value at time of purchase; or

1950 (b) For mutual savings banks under Fifty Million  
1951 Dollars (\$50,000,000.00) in assets, a Two Thousand Five Hundred  
1952 Dollar (\$2,500.00) deposit relationship; or

1953 (c) For stock savings banks over Fifty Million Dollars  
1954 (\$50,000,000.00) in assets, stock ownership in the institution or

1955 its holding company of Five Thousand Dollars (\$5,000.00) in market  
1956 value at the time of purchase; or

1957 (d) For mutual savings banks over Fifty Million Dollars  
1958 (\$50,000,000.00) in assets, a Five Thousand Dollar (\$5,000.00)  
1959 deposit relationship. For savings banks that cross the Fifty  
1960 Million Dollar (\$50,000,000.00) threshold, the commissioner shall  
1961 allow a reasonable period for the directors to comply with the  
1962 ownership interest requirement.

1963 (3) Every state savings bank shall have no less than five  
1964 (5) directors, two-thirds (2/3) of which shall be residents of  
1965 this state. In addition, not more than two (2) of the directors  
1966 may be members of the same immediate family, nor may there be more  
1967 than one (1) director who is an attorney with a particular law  
1968 firm.

1969 (4) A majority of the directors must not be salaried  
1970 officers or employees of the savings bank or of any subsidiary or,  
1971 except in the case of a savings bank having eighty percent (80%)  
1972 or more of any class of voting shares owned by a holding company,  
1973 any holding company affiliate thereof.

1974 SECTION 68. Section 81-14-255, Mississippi Code of 1972, is  
1975 reenacted as follows:

1976 81-14-255. (1) Directors and officers possess a fiduciary  
1977 relationship with the savings bank which they serve, and shall not  
1978 engage or participate, directly or indirectly, in any business or  
1979 transaction conducted on behalf of or involving such savings bank,  
1980 unless: (a) the business or transactions are conducted in good  
1981 faith and are honest, fair and reasonable to the savings bank; (b)  
1982 a full disclosure of the business or transaction and the nature of  
1983 the director's or officer's interest is made to the board of  
1984 directors; and (c) the business or transaction is approved in good  
1985 faith by the board of directors with any interested director  
1986 abstaining. The approval of the transaction shall be recorded in  
1987 the minutes. Any profits inuring to the officer or director shall

1988 not be at the expense of the savings bank. The business or  
1989 transaction shall not represent a breach of the officer's or  
1990 director's fiduciary duty and shall not be fraudulent or illegal.  
1991 Notwithstanding any other provisions of this section, the  
1992 commissioner may require the disclosure by directors, officers and  
1993 employees of their personal interest, directly or indirectly, in  
1994 any business or transaction on behalf of or involving the savings  
1995 bank and of their control of, or active participation in,  
1996 enterprises having activities related to the business of the  
1997 savings bank.

1998 (2) The following restrictions governing the conduct of  
1999 directors and officers are specified, but that specification does  
2000 not excuse those persons from the observance of any other aspect  
2001 of the general fiduciary duty owed by them to the savings bank  
2002 which they serve:

2003 (a) An officer or director of a mutual savings bank  
2004 shall not hold office or status as a director or officer of  
2005 another mutual savings bank subject to this chapter.

2006 (b) A director shall receive as remuneration only  
2007 reasonable fees for services as a director or as a member of a  
2008 committee of directors. A director who is also an officer or  
2009 employee of the savings bank may receive compensation for service  
2010 as an officer or employee.

2011 (c) A director or officer shall not have any interest,  
2012 direct or indirect, in the purchase at less than its face value of  
2013 any evidence of a savings account deposit or other indebtedness  
2014 issued by the savings bank.

2015 (d) A savings bank, or director or officer thereof,  
2016 shall not directly or indirectly require, as a condition to the  
2017 granting of any loans or the extension of any other service by the  
2018 savings bank or its affiliates, that the borrower or any other  
2019 person undertake a contract of insurance or any other agreement or  
2020 understanding with respect to the direct or indirect furnishing of

2021 any other goods or services with any specific company, agency or  
2022 individual.

2023 (e) An officer or director acting as proxy for a member  
2024 of a mutual savings bank shall not exercise, transfer or delegate  
2025 that right in any consideration of a private benefit or advantage,  
2026 direct or indirect, nor surrender control or pass his office to  
2027 any other for any consideration of a private benefit or advantage,  
2028 direct or indirect. The voting rights of members shall not be the  
2029 subject of sale or similar transaction, either directly or  
2030 indirectly. Any officer or director who violates the provisions  
2031 of this paragraph shall be held accountable to the savings bank  
2032 for an increment.

2033 (f) A director or officer shall not solicit, accept or  
2034 agree to accept, directly or indirectly, from any person other  
2035 than the savings bank any gratuity, compensation or other personal  
2036 benefit for any action taken by the savings bank or for  
2037 endeavoring to procure any action by the savings bank.

2038 (g) Subject to the approval of the commissioner, a  
2039 savings bank's bylaws may provide for reasonable indemnification  
2040 to its officers, directors and employees in connection with the  
2041 faithful performance of their duties for the savings bank. The  
2042 commissioner may promulgate model indemnification provisions and  
2043 may consider provisions available under applicable state and  
2044 federal statutes.

2045 SECTION 69. Section 81-14-257, Mississippi Code of 1972, is  
2046 reenacted as follows:

2047 81-14-257. Any amendments to the charter of incorporation or  
2048 bylaws of a savings bank shall be certified by the appropriate  
2049 corporation official and submitted to the commissioner for his  
2050 approval before they may become effective.

2051 SECTION 70. Section 81-14-259, Mississippi Code of 1972, is  
2052 reenacted as follows:

2053           81-14-259. Voting rights in the affairs of a state savings  
2054 bank may be exercised by members and stockholders by voting either  
2055 in person or by proxy. The commissioner shall promulgate rules  
2056 and regulations governing forms of proxies, holders of proxies and  
2057 proxy solicitation.

2058           SECTION 71. Section 81-14-261, Mississippi Code of 1972, is  
2059 reenacted as follows:

2060           81-14-261. (1) Each savings bank shall hold an annual  
2061 meeting of its members or stockholders. The annual meeting shall  
2062 be held at a time and place as provided in the bylaws or  
2063 determined by the board of directors.

2064           (2) The board of directors of a mutual savings bank shall  
2065 publish once a week for two (2) weeks preceding such meeting, in a  
2066 newspaper of general circulation in the county where such savings  
2067 bank has its principal office, a notice of the annual meeting.  
2068 Such notice shall be signed by the savings bank's secretary and  
2069 shall state the time and place where it is to be held. In  
2070 addition to the foregoing notice, each savings bank shall  
2071 disseminate additional notice of any annual meeting to all members  
2072 entering the premises of any office or branch of the savings bank  
2073 in the regular course of business by posting therein, in full view  
2074 of the public and such members, one or more conspicuous signs or  
2075 placards announcing the time, date and place of the meeting and  
2076 the availability of additional information. Printed matter shall  
2077 be freely available to such members containing any information as  
2078 prescribed in rules and regulations issued by the commissioner.  
2079 Such additional notice shall be given at any time within the  
2080 period of sixty (60) days prior to and fourteen (14) days prior to  
2081 the meeting and shall continue through the time of the meeting.

2082           (3) The board of directors of a stock savings bank shall  
2083 cause a written or printed notice signed by the savings bank's  
2084 secretary, and stating the time and place of the annual meeting to  
2085 be delivered not less than ten (10) days nor more than fifty (50)



2086 days before the date of the meeting, either personally or by mail  
2087 to each stockholder of record entitled to vote at the meeting. If  
2088 mailed, such notice shall be deemed to be delivered when deposited  
2089 in the United States Postal Service addressed to the stockholder  
2090 at his address as it appears on the records of the corporation,  
2091 with postage thereon prepaid.

2092 SECTION 72. Section 81-14-263, Mississippi Code of 1972, is  
2093 reenacted as follows:

2094 81-14-263. Special meetings of members or stockholders of a  
2095 savings bank may be called by the president or the board of  
2096 directors or by such other officers or persons as provided in the  
2097 charter or bylaws of the savings bank. Notice of any special  
2098 meeting of members or stockholders shall be given in the same  
2099 manner as provided for annual meetings under Section 81-14-261.

2100 SECTION 73. Section 81-14-265, Mississippi Code of 1972, is  
2101 reenacted as follows:

2102 81-14-265. Unless otherwise provided in the savings bank's  
2103 charter or bylaws, fifty (50) holders of deposit accounts in a  
2104 mutual savings bank, or fifty (50) stockholders or a majority of  
2105 shares eligible to vote in a stock savings bank, present in person  
2106 or represented by proxy, shall constitute a quorum at any annual  
2107 or special meeting.

2108 SECTION 74. Section 81-14-267, Mississippi Code of 1972, is  
2109 reenacted as follows:

2110 81-14-267. (1) A savings bank shall maintain a blanket  
2111 indemnity bond of at least a minimum amount as prescribed by the  
2112 commissioner.

2113 (2) A savings bank which employs collection agents, who for  
2114 any reason are not covered by the bond as herein required, shall  
2115 provide for the bonding of each agent in an amount equal to at  
2116 least twice the average monthly collections of such agent. Such  
2117 agents shall be required to make settlement with the institution  
2118 at least once monthly. No such coverage by bond will be required

2119 of any agent which is an institution insured by the Federal  
2120 Deposit Insurance Corporation. The amount and form of such bonds  
2121 and the sufficiency of the surety thereon shall be approved by the  
2122 board of directors and the commissioner before such bonds are  
2123 valid. All such bonds shall provide that a cancellation thereof,  
2124 either by the surety or by the insured, shall not become effective  
2125 until thirty (30) days' notice in writing has been given to the  
2126 commissioner.

2127 SECTION 75. Section 81-14-301, Mississippi Code of 1972, is  
2128 reenacted as follows:

2129 81-14-301. Subject to the regulations of the commissioner, a  
2130 savings bank may loan funds as follows:

2131 (a) On the security of deposit accounts, but no such  
2132 loan shall exceed the withdrawal value of the pledged account.

2133 (b) On the security of real estate:

2134 (i) Of a value, determined in accordance with  
2135 regulations adopted by the commissioner, sufficient to provide  
2136 good and ample security for the loan;

2137 (ii) With a fee simple title or a leasehold title  
2138 having a duration of not less than ten (10) years beyond the  
2139 maturity of the loan;

2140 (iii) With the title established by evidence of  
2141 title as is consistent with sound lending practices in the  
2142 locality;

2143 (iv) With the security interest in real estate  
2144 evidenced by an appropriate written instrument and the loan  
2145 evidenced by a note, bond or similar written instrument; a loan on  
2146 the security of the whole of the beneficial interest in a land  
2147 trust satisfies the requirements of this section if the title to  
2148 the land is held by a corporate trustee and if the real estate  
2149 held in the land trust meets the other requirements of this  
2150 section.

2151 (c) For the purpose of repair, improvement,  
2152 rehabilitation, furnishing or equipment of real estate.

2153 (d) Through the participation of loans that are of a  
2154 type that the savings bank would be authorized to make in  
2155 accordance with this section and its bylaws. Subject to  
2156 regulations by the commissioner, participants shall be limited to  
2157 federally insured financial institutions and their subsidiaries,  
2158 and instruments of, or corporations owned wholly or in part by,  
2159 the United States or this state.

2160 (e) Through the purchase of loans, wholly or in part,  
2161 that at the time of purchase, the savings bank could make in  
2162 accordance with this section and its bylaws.

2163 (f) Through the purchase of installment contracts for  
2164 the sale of real estate and title thereto that is subject to the  
2165 contracts, but in each instance only if the savings bank, at the  
2166 time of purchase, could make a mortgage loan of the same amount  
2167 for the same length of time on the security of real estate.

2168 (g) Through loans guaranteed or insured, wholly or in  
2169 part, by the United States or any of its instrumentalities.

2170 (h) Subject to regulations adopted by the commissioner,  
2171 through secured or unsecured loans for business, corporate,  
2172 commercial or agricultural purposes; provided that the total of  
2173 all loans granted under this paragraph shall not exceed fifteen  
2174 percent (15%) of the savings bank's total assets.

2175 (i) For the purpose of mobile home financing subject,  
2176 however, to the regulation of the commissioner.

2177 (j) Through loans secured by the cash surrender value  
2178 of any life insurance policy or any collateral that would be a  
2179 legal investment under the terms of this chapter if made by a  
2180 savings bank.

2181 (k) Any provisions of this chapter to the contrary,  
2182 notwithstanding and subject to the commissioner's regulations, any  
2183 savings bank may make any loans or investment or engage in any

2184 activity that it could make or engage in if it were organized  
2185 under state law as a savings and loan association or under federal  
2186 law as a federal savings and loan association or federal savings  
2187 bank.

2188 (l) A savings bank may issue letters of credit or other  
2189 similar arrangements only as provided by regulation of the  
2190 commissioner with regard to aggregate amounts permitted, take out  
2191 commitments for standby letters of credit, underlying  
2192 documentation and underwriting, legal limitations on loans of the  
2193 savings bank, control and subsidiary records, and other procedures  
2194 deemed necessary by the commissioner.

2195 (m) For the purpose of secured and unsecured financing  
2196 of personal and family credits, subject to the regulations of the  
2197 commissioner.

2198 (n) For the purpose of financing primary, secondary,  
2199 undergraduate or postgraduate education.

2200 (o) Through revolving lines of credit on the security  
2201 of a first or junior lien on the borrower's personal residence,  
2202 based primarily on the borrower's equity, the proceeds of which  
2203 may be used for any purpose.

2204 (p) As secured or unsecured credit to cover the payment  
2205 of checks, drafts or other funds transfer orders in excess of the  
2206 available balance of an account on which they are drawn, subject  
2207 to the regulations of the commissioner.

2208 SECTION 76. Section 81-14-303, Mississippi Code of 1972, is  
2209 reenacted as follows:

2210 81-14-303. If the board of directors determines at any time  
2211 that funds are available in excess of the demands and needs for  
2212 loans, maturities and withdrawals, a savings bank may invest funds  
2213 as provided in this section:

2214 (a) In demand, time or savings deposits or accounts,  
2215 withdrawable accounts, or other insured obligations of any

2216 financial institution, the accounts of which are insured by a  
2217 federal agency.

2218 (b) In obligations of, or obligations that are fully  
2219 guaranteed by the United States, and in stocks or obligations of  
2220 any Federal Reserve Bank, Federal Home Loan Bank, the Student Loan  
2221 Market Association, the Government National Mortgage Association,  
2222 the Federal Home Loan Mortgage Corporation, the Federal Deposit  
2223 Insurance Corporation, or any other agency of the United States.

2224 (c) In bonds or other direct obligations of, or  
2225 guaranteed as to principal and interest by, this state.

2226 (d) In bonds or other evidences of indebtedness that  
2227 are direct general obligations of any unit of local government of  
2228 this state, or other evidences of indebtedness that are payable  
2229 from revenues or earnings specifically pledged therefor of a unit  
2230 of local government, but in no event shall the total amount of the  
2231 securities of any one (1) maker or obligor exceed fifteen percent  
2232 (15%) of the savings bank's total capital, nor shall the aggregate  
2233 amount of investments under this paragraph exceed fifteen percent  
2234 (15%) of the savings bank's total assets.

2235 (e) In real estate for the following purposes:

2236 (i) A savings bank may invest in real property and  
2237 equipment and in leasehold improvements to rented facilities  
2238 necessary for the conduct of its business and in real property to  
2239 be held for its future use. A savings bank may invest in an  
2240 office building or buildings and appurtenances for the purpose of  
2241 the transaction of the savings bank's business. No such  
2242 investment may be made without the prior written approval of the  
2243 commissioner if the total amount of such investments exceeds fifty  
2244 percent (50%) of the savings bank's net worth. Facilities,  
2245 furniture and fixtures leased for the purpose set forth in this  
2246 section shall not be included in this limitation.

2247 (ii) With the prior written consent of the  
2248 commissioner, a savings bank may invest in the initial purchase

2249 and development, or the purchase or commitment to purchase after  
2250 completion, of home sites and housing for sale or rent, including,  
2251 but not limited to: (A) projects for the reconstruction,  
2252 rehabilitation or rebuilding of residential properties to meet the  
2253 minimum standards of health and occupancy prescribed by  
2254 appropriate local authorities; (B) the provision of accommodations  
2255 for retail stores and other community services that are reasonably  
2256 incident to such housing; or (C) in the shares of a corporation  
2257 that owns one or more of those projects and that is wholly owned  
2258 by one or more financial institutions whose investments are  
2259 regulated by the laws of this state or of the United States. In no  
2260 event shall the total investment in any one (1) project exceed  
2261 fifteen percent (15%) of the savings bank's net worth, nor shall  
2262 the aggregate investment under this paragraph exceed fifty percent  
2263 (50%) of its net worth.

2264 (iii) No savings bank may make an investment  
2265 unless it is in compliance with the net worth requirements of this  
2266 chapter and with the net worth maintenance requirements of its  
2267 insurer of deposit accounts. The commissioner shall approve the  
2268 investment only if the savings bank shows:

2269 (A) That the savings bank has adequate assets  
2270 available for the investment;

2271 (B) That the proposed investment does not  
2272 exceed the reasonable market value of the property or interest  
2273 therein as determined in accordance with the appraisal  
2274 requirements of this chapter; and

2275 (C) That all other requirements of this  
2276 section have been met.

2277 Nothing contained in this paragraph prohibits a savings bank  
2278 from developing or building on land acquired by it under any other  
2279 provision of this chapter nor from completing the construction of  
2280 buildings in accordance with any construction loan contract where  
2281 the borrower has failed to comply with the terms of the contract.

2282           (f) In stocks or obligations of business development  
2283 corporations chartered by this state or by the United States or an  
2284 agency thereof, but in no event shall the aggregate amount of  
2285 stock exceed two and one-half percent (2-1/2%) of the savings  
2286 bank's total capital or Two Hundred Fifty Thousand Dollars  
2287 (\$250,000.00), whichever is greater.

2288           (g) In obligations of urban renewal investment  
2289 corporations chartered under the laws of this state, or the United  
2290 States, or in certificates of beneficial interest of urban renewal  
2291 investment trusts, but in no event shall the aggregate amount of  
2292 the stock, obligations or beneficial interest certificates of any  
2293 one (1) maker exceed two and one-half percent (2-1/2%) of the  
2294 savings bank's total capital, nor shall the aggregate amount of  
2295 investments under this paragraph exceed fifteen percent (15%) of  
2296 its total capital.

2297           (h) In commercial paper. As used in this section, the  
2298 term "commercial paper" means short-term obligations having a  
2299 maturity ranging from two (2) to two hundred seventy (270) days  
2300 issued by banks, corporations or other borrowers. Investments in  
2301 commercial paper under this section must be in securities rated in  
2302 one (1) of the two (2) highest categories by at least two (2)  
2303 nationally recognized investment rating services.

2304           (i) Purchase of stock in insurance companies.  
2305 Notwithstanding any provision of this chapter to the contrary, a  
2306 savings bank may purchase shares of, or otherwise acquire equity  
2307 interest in, insurance companies and insurance holding companies  
2308 organized to provide insurance for savings institutions and  
2309 corporations and individuals affiliated with savings institutions;  
2310 provided, however, that ownership of equity interest is a  
2311 prerequisite to obtaining director's, officer's and blanket bond  
2312 insurance through the company or companies. The commissioner may  
2313 promulgate regulations concerning the size of each savings bank's  
2314 investment and manner of holding those investments.

2315           (j) Subject to the regulation of the commissioner, in  
2316 equity or debt securities or instruments of a service corporation  
2317 that is a subsidiary of the savings bank.

2318           (k) Through advances of federal funds to designated  
2319 depositories, provided that the advances are made on the condition  
2320 that they be repaid on the next business day following the date on  
2321 which the advance is made. For the purpose of this paragraph, the  
2322 term "federal funds" means funds that a savings bank has on  
2323 deposit at a depository that are exchangeable for funds on deposit  
2324 at a federal reserve bank; the term "business day" means any day  
2325 on which the savings bank, the depository and the federal reserve  
2326 bank where the funds are on deposit are all open for general  
2327 business.

2328           (l) In marketable investment securities, but in no  
2329 event shall the total amount of those securities of any one (1)  
2330 maker or obligor exceed five percent (5%) of the savings bank's  
2331 total capital, nor shall the aggregate amount of investments under  
2332 this section exceed fifteen percent (15%) of total capital. As  
2333 used in this section, the term "marketable investment securities"  
2334 does not include stock, but means investment grade marketable  
2335 obligations evidencing indebtedness of any person in the form of  
2336 bonds, notes or debentures commonly known as investment  
2337 securities, and of a type customarily sold on recognized exchanges  
2338 or traded over the counter. As used in this section, the term  
2339 "investment grade" means being rated in one (1) of the two (2)  
2340 highest categories by at least two (2) nationally recognized  
2341 investment rating services. As used in this section, the term  
2342 "person" means an individual corporation, partnership, joint  
2343 venture, trust, estate or unincorporated association.

2344           SECTION 77. Section 81-14-305, Mississippi Code of 1972, is  
2345 reenacted as follows:

2346           81-14-305. No savings bank, or subsidiary thereof, may  
2347 accept its own capital stock or its own mutual capital



2348 certificates as security for any loan made by such savings bank.  
2349 Further, no loans of any type shall be made, either directly or  
2350 indirectly, for purposes relating to its own stock.

2351 SECTION 78. Section 81-14-307, Mississippi Code of 1972, is  
2352 reenacted as follows:

2353 81-14-307. (1) No savings bank, or subsidiary thereof,  
2354 shall require as a condition of making a loan that the borrower  
2355 contract with any specific person or organization for particular  
2356 goods or services.

2357 (2) A savings bank, or subsidiary thereof, must notify  
2358 borrowers at or prior to the loan commitment of their right to  
2359 select the attorney or law firm rendering legal services in  
2360 connection with the loan, and the person or organization rendering  
2361 insurance services in connection with the loan. Notwithstanding  
2362 the notice requirement, a savings bank, or subsidiary thereof, may  
2363 refuse to make any loan if it believes on reasonable grounds that  
2364 the services provided by the person or organization selected by  
2365 the borrower will afford insufficient protection to such  
2366 institution or subsidiary.

2367 (3) A savings bank, or subsidiary thereof, may require  
2368 borrowers to reimburse such savings bank for legal services  
2369 rendered by its own attorney only when the fee is limited to legal  
2370 services required by the making of such loan and the borrower has  
2371 selected the savings bank's attorney in the manner provided by  
2372 subsection (2) of this section.

2373 SECTION 79. Section 81-14-309, Mississippi Code of 1972, is  
2374 reenacted as follows:

2375 81-14-309. (1) A savings bank may require borrowers to pay  
2376 all reasonable expenses incurred by the savings bank in connection  
2377 with making, closing, disbursing, extending, adjusting or renewing  
2378 loans.

2379 (2) A savings bank may require a borrower to pay reasonable  
2380 charges for late payments made during the course of repayment of a

2381 loan. Such payments may be levied only upon such terms and  
2382 conditions as fixed by the savings bank's board of directors and  
2383 agreed to by the borrower in the loan contract. Such payments  
2384 shall not be considered interest under the usury laws of this  
2385 state.

2386 SECTION 80. Section 81-14-311, Mississippi Code of 1972, is  
2387 reenacted as follows:

2388 81-14-311. Subject to such rules and regulations as the  
2389 commissioner may prescribe, a savings bank shall agree in writing  
2390 with borrowers as to the method or plan by which an indebtedness  
2391 shall be repaid.

2392 SECTION 81. Section 81-14-313, Mississippi Code of 1972, is  
2393 reenacted as follows:

2394 81-14-313. Loans aggregating fifteen percent (15%) of the  
2395 unimpaired capital and unimpaired surplus may be made by any state  
2396 savings bank to any director or executive officer thereof, as  
2397 defined in Regulation O promulgated by the Board of Governors of  
2398 the Federal Reserve System, less existing direct and indirect  
2399 liabilities thereto, upon affirmative approval of a majority of  
2400 all directors spread on the minutes of a directors' meeting held  
2401 before such loan is made, provided, such loan is made on  
2402 substantially the same terms and conditions extended to other  
2403 borrowers for comparable transactions. Any state savings bank may  
2404 lend to any such director or executive officer thereof, upon  
2405 affirmative approval of a majority of all directors spread on the  
2406 minutes of a directors' meeting held before such loan is made, not  
2407 more than twenty percent (20%) of the unimpaired capital and  
2408 unimpaired surplus of the savings bank, less the amount of  
2409 existing direct and indirect liabilities, when secured; or when  
2410 the portion thereof in excess of any amount loaned under the first  
2411 provision hereof is secured by obligations of the United States  
2412 government, the State of Mississippi, and the levee districts,  
2413 counties, road districts, school districts, and municipalities of

2414 the State of Mississippi, obligations of any other state of the  
2415 United States and other bonds of recognized character and  
2416 standing, which are the subject of daily newspaper market  
2417 quotations, provided such loan shall not exceed eighty percent  
2418 (80%) of the market or par value (whichever is less) of the bonds  
2419 or obligations offered as security. Any state savings bank may  
2420 lend to any executive officer or director thereof upon affirmative  
2421 approval of a majority of all directors spread on the minutes of a  
2422 directors' meeting held before such loan is made, such amount as  
2423 is safe and proper, when secured by warehouse receipts or  
2424 shippers' order bills of lading representing actual existing  
2425 values, provided the amount loaned shall not exceed eighty percent  
2426 (80%) of the market value of the commodities representing the  
2427 actual existing values, and loans of this nature shall be made  
2428 payable on demand so that the security held therefor may be sold  
2429 on any date and the proceeds thereof applied to the payment of the  
2430 loan. However, a savings bank's board of directors may, as shown  
2431 in its minutes, give to a savings bank officer the authority to  
2432 make secured or unsecured loans to an executive officer or  
2433 director of such savings bank, without receiving the board's prior  
2434 approval, in an amount that, when aggregated with the amount of  
2435 all other extensions of credit to that person and to all related  
2436 interests of that person, does not exceed the greater of  
2437 Twenty-five Thousand Dollars (\$25,000.00) or five percent (5%) of  
2438 the savings bank's unimpaired capital and unimpaired surplus.  
2439 However, no state savings bank shall extend credit to any director  
2440 or executive officer thereof, in an amount that, when aggregated  
2441 with all other extensions of credit to that person and to all  
2442 related interests of that person, exceeds Five Hundred Thousand  
2443 Dollars (\$500,000.00) without documented prior affirmative  
2444 approval of a majority of its directors.

2445 Loans and discounts by a state savings bank to a director or  
2446 executive officer thereof secured in full by funds on deposit in

2447 time or savings accounts with the lending savings bank to the  
2448 credit of the borrower shall not be restricted to the fifteen  
2449 percent (15%) or twenty percent (20%) limitations herein  
2450 prescribed.

2451 The limitations of this section shall not apply where an  
2452 executive officer or director shall bona fide purchase from the  
2453 savings bank at a reasonable price real or personal property  
2454 acquired by the savings bank in payment of debts due the savings  
2455 bank, provided such transactions are approved by a majority of the  
2456 board of directors, such approval to be shown in their minutes;  
2457 and, in cases where loans are made by branch offices, the sum  
2458 total of loans made by any branch or branches and its parent  
2459 savings bank to such executive officer or director shall be  
2460 computed as against the total capital stock and surplus of the  
2461 parent savings bank and its branch or branches. Loans heretofore  
2462 made to executive officers or directors may be renewed or extended  
2463 if in accord with sound banking practice.

2464 SECTION 82. Section 81-14-315, Mississippi Code of 1972, is  
2465 reenacted as follows:

2466 81-14-315. The commissioner shall, from time to time,  
2467 promulgate such rules and regulations in respect to loans  
2468 permitted to be made by state savings banks as necessary to assure  
2469 that such loans are keeping with sound lending practices and to  
2470 promote the purpose of this chapter.

2471 SECTION 83. Section 81-14-317, Mississippi Code of 1972, is  
2472 reenacted as follows:

2473 81-14-317. Unless otherwise provided, every loan or other  
2474 investment made in violation of this chapter shall be due and  
2475 payable according to its terms and the obligation thereof shall  
2476 not be impaired; provided, however, that such violation consists  
2477 only of the lending of an excessive sum on authorized security or  
2478 of investing in an unauthorized investment.

2479 SECTION 84. Section 81-14-319, Mississippi Code of 1972, is  
2480 reenacted as follows:

2481 81-14-319. The liability to a savings bank by a person,  
2482 company, corporation or firm for money loaned, including in the  
2483 liability of such person, company or firm, where a partnership,  
2484 the liabilities of the several members thereof, shall not exceed  
2485 twenty percent (20%) of the aggregate unimpaired capital and  
2486 unimpaired surplus of said savings bank.

2487 The following shall not be restricted to or considered as  
2488 coming within the limitations of twenty percent (20%) herein  
2489 prescribed:

2490 (a) Loans and discounts secured by warehouse receipts  
2491 or shippers' order bills of lading representing actual existing  
2492 values, provided the amount of such loans and discounts shall not  
2493 exceed eighty-five percent (85%) of the market value of the  
2494 commodities representing the actual existing values.

2495 (b) Loans and discounts secured by bonds, certificates  
2496 or notes constituting direct obligations of the United States  
2497 Government, or bonds fully guaranteed by the United States  
2498 Government, or by full faith and credit obligations of the State  
2499 of Mississippi; provided, however, the commissioner shall from  
2500 time to time determine and fix the maximum percentage of the par  
2501 value of all such securities that may be loaned.

2502 (c) Loans and discounts to the extent that they are  
2503 secured or covered by guaranties, or by commitments, or agreements  
2504 to take over or purchase the same, made by any federal reserve  
2505 bank, or by the United States, or any department, bureau, board,  
2506 commission or establishment of the United States, including any  
2507 corporation wholly owned directly or indirectly by the United  
2508 States; provided that such guaranties, agreements or commitments  
2509 are unconditional and are to be performed by payment within sixty  
2510 (60) days after demand; provided, further, that the commissioner

2511 is hereby authorized to define the terms herein used and may by  
2512 regulation control the making of loans under this paragraph (c).

2513 (d) Loans and discounts secured in full by funds on  
2514 deposit in time or savings accounts with the lending savings bank  
2515 to the credit of the borrower.

2516 Any officer or director who shall approve or make loans  
2517 prohibited in this section shall be liable individually for the  
2518 full amount of the principal and interest of any such loan. If  
2519 the commissioner shall discover, in any examination of any open  
2520 savings bank that there is a loss on any loan made in violation of  
2521 this section, he shall make demand of all directors and officers  
2522 approving or making such loan for payment of the entire unpaid  
2523 balance on any such loan.

2524 Like demand shall be made and suit brought by the receiver of  
2525 any savings bank in liquidation. Provided, however, this section  
2526 shall not apply to loans to the State of Mississippi, or to any  
2527 political subdivision thereof, nor to any levee district.

2528 SECTION 85. Section 81-14-321, Mississippi Code of 1972, is  
2529 reenacted as follows:

2530 81-14-321. State savings banks shall have and possess the  
2531 rights, powers, privileges, immunities, duties and obligations of  
2532 thrift institutions organized and operating under the laws of this  
2533 state or the federal government as may be prescribed by the board  
2534 by general regulation under the circumstances and conditions set  
2535 out therein. In the event of a conflict between the provisions of  
2536 this paragraph and any other provision of this chapter, the  
2537 provisions of this paragraph shall control.

2538 SECTION 86. Section 81-14-351, Mississippi Code of 1972, is  
2539 reenacted as follows:

2540 81-14-351. Savings banks shall maintain their books and  
2541 records in accordance with generally accepted accounting  
2542 principles.

2543 SECTION 87. Section 81-14-353, Mississippi Code of 1972, is  
2544 reenacted as follows:

2545 81-14-353. Savings banks shall maintain cash and readily  
2546 marketable investments in an amount that may be established in the  
2547 rules and regulations of the commissioner, but such amount shall  
2548 not be less than ten percent (10%) of the assets of the savings  
2549 bank. Upon receipt of a duly certified copy of a resolution by  
2550 the board of directors of any savings bank requesting a temporary  
2551 suspension, the commissioner may suspend the liquidity requirement  
2552 for a period not longer than six (6) months.

2553 SECTION 88. Section 81-14-355, Mississippi Code of 1972, is  
2554 reenacted as follows:

2555 81-14-355. Each savings bank shall maintain an adequate net  
2556 worth appropriate for the conduct of its business and the  
2557 protection of its savings account holders. The net worth adequacy  
2558 of a savings bank shall be determined by the commissioner on a  
2559 regular basis, but not less than one (1) time per year after  
2560 evaluating the character of management, the quality of assets,  
2561 history of earnings and the retention thereof, the potential  
2562 volatility of the deposit structure and the institution's capacity  
2563 to furnish the broadest service to the public. A written report  
2564 of such finding and determination shall be made and filed by the  
2565 commissioner.

2566 SECTION 89. Section 81-14-357, Mississippi Code of 1972, is  
2567 reenacted as follows:

2568 81-14-357. (1) Every savings bank shall be authorized to  
2569 solicit deposits from any person, natural or corporate, except as  
2570 restricted or limited by law, or by such regulations as the  
2571 commissioner may prescribe.

2572 (2) Savings banks may receive deposits of funds upon such  
2573 terms as the contract of deposit shall provide to establish  
2574 methods of withdrawals.

2575 SECTION 90. Section 81-14-359, Mississippi Code of 1972, is  
2576 reenacted as follows:

2577 81-14-359. (1) Accounts may be in the name of two (2) or  
2578 more persons, whether minor or adult, in such form that the money  
2579 in the accounts are payable to either adult, or their survivors,  
2580 and such money due under such accounts, and all additions thereto,  
2581 shall be the property of such persons as joint tenants with the  
2582 right of survivorship. The money due under such accounts may be  
2583 paid to, or on the order of, any one of such persons during his  
2584 lifetime or to, or on the order of, any one of the survivors of  
2585 such persons. The opening of the account in such form shall be  
2586 conclusive evidence with regard to the liability of the savings  
2587 bank of the intention of all of the parties to the account to vest  
2588 title to money due under the account and the additions thereto in  
2589 such survivor or survivors. By written instructions given to the  
2590 savings bank by all parties to the account, the signatures of more  
2591 than one (1) of such persons during their lifetime, or of more  
2592 than one (1) of the survivors after the death of any one of them,  
2593 may be required for withdrawal, in which case the savings bank  
2594 shall pay the money in the account only in accordance with such  
2595 instructions. However, no such instructions shall limit the right  
2596 of the survivor or survivors to receive the money in the account.  
2597 By written agreement with the savings bank, any person may create  
2598 a joint account with other persons as joint tenants with the right  
2599 of survivorship and such agreement may be signed only by the  
2600 persons creating the account.

2601 (2) The savings bank, unless instructed in writing to the  
2602 contrary, may loan money to any one or more persons constituting a  
2603 single membership or account as joint tenants with the right of  
2604 survivorship, and any person authorized to make withdrawals as  
2605 provided in this section may pledge, hypothecate or assign all, or  
2606 any part of, the money due, or to become due, under such account.  
2607 Any such pledge, hypothecation or assignment, or any increase to,



2608 or withdrawal from, the account shall not destroy the joint  
2609 tenancy with the right of survivorship.

2610 (3) Payment of all or any of the money in such account, as  
2611 provided in this section, shall discharge the savings bank from  
2612 liability with respect to the money so paid, prior to receipt by  
2613 the savings bank of a court order. After receipt of such court  
2614 order, a savings bank may refuse, without liability, to honor any  
2615 withdrawal on the account pending determination of the rights of  
2616 the parties. No savings bank paying any survivor in accordance  
2617 with the provisions of this section shall thereby be liable for  
2618 any estate, inheritance or succession taxes which may be owed to  
2619 this state.

2620 SECTION 91. Section 81-14-361, Mississippi Code of 1972, is  
2621 reenacted as follows:

2622 81-14-361. Any savings bank may accept accounts in the name  
2623 of any administrator, executor, guardian, trustee or other  
2624 fiduciary in trust for a named beneficiary or beneficiaries. Such  
2625 fiduciary shall have the authority to vote as a member of the  
2626 savings bank as if any membership account were held absolutely,  
2627 and to make payments upon, and withdraw from, any such account in  
2628 whole or in part. The withdrawal value of any such account, or  
2629 other rights relating thereto, may be paid or delivered, in whole  
2630 or in part, to such fiduciary without regard to any notice as long  
2631 as such fiduciary is living. The payment or delivery to any such  
2632 fiduciary or a receipt of acquittance signed by any such fiduciary  
2633 to whom any such payment or any such delivery or rights is made  
2634 shall be valid and sufficient release and discharge of any savings  
2635 bank for the payment or delivery so made. Whenever a person  
2636 holding an account in a fiduciary capacity dies and no written  
2637 notice of the revocation or termination of the trust relationship  
2638 has been given to a savings bank and the savings bank has no  
2639 notice of any other disposition of the trust estate, the  
2640 withdrawal value of such account, or other rights relating

2641 thereto, may at the option of a savings bank be paid or delivered,  
2642 in whole or in part, to the beneficiary or beneficiaries of such  
2643 trust. Whenever an account is opened by any person describing  
2644 himself as trustee for another and there is no further notice of  
2645 the existence and terms of a legal and valid trust, then such  
2646 description shall be given in writing to such savings bank. In  
2647 the event of the death of the person so described as trustee, the  
2648 withdrawal value of such account, or any part thereof, may be paid  
2649 to the person for whom the account was thus stated to have been  
2650 opened. Such account, and all additions thereto, shall be the  
2651 property of such person, unless prior to payment the trust  
2652 agreement is presented to the savings bank showing a contrary  
2653 interest. When made in accord with this section, the payment or  
2654 delivery to any such beneficiary, beneficiaries or designated  
2655 person, or a receipt or acquittance signed by any such  
2656 beneficiary, beneficiaries or designated person for any such  
2657 payment or delivery shall be a valid and sufficient release and  
2658 discharge of a savings bank for the payment or delivery so made.  
2659 Trust accounts permitted by this chapter shall not be required to  
2660 be acknowledged and recorded. When an account is opened in a form  
2661 described in this section, the right set forth in Section  
2662 81-14-363 shall apply. No savings bank paying any beneficiary in  
2663 accordance with the provisions of this section shall thereby be  
2664 liable for any estate, inheritance or succession taxes which may  
2665 be owed to this state.

2666 SECTION 92. Section 81-14-363, Mississippi Code of 1972, is  
2667 reenacted as follows:

2668 81-14-363. (1) An account in a savings bank may be opened  
2669 by any person or persons with directions to make such account  
2670 payable upon his or their death to the named beneficiary or  
2671 beneficiaries. When an account is so opened, the savings bank  
2672 shall pay any money to the person or persons opening such account

2673 during his or their lifetime in the same manner as if the account  
2674 were in the sole name or names of such person or persons.

2675 (2) If the named beneficiary or one (1) of the named  
2676 beneficiaries survive the death of the person opening such an  
2677 account and the beneficiary or all of the beneficiaries so named  
2678 are sixteen (16) years of age or over at the death of such person,  
2679 the savings bank shall pay the money to the credit of the account,  
2680 less all proper setoffs and charges, to the named beneficiary or  
2681 beneficiaries or upon his or their order, as hereinafter provided.  
2682 Such payment by the savings bank shall be valid, notwithstanding  
2683 any lack of legal age of the named beneficiary or beneficiaries.  
2684 However, where such an account is opened or subsequently held by  
2685 more than one (1) person, the death of one (1) of such persons  
2686 shall not terminate the account and the account shall continue as  
2687 to the surviving person or persons and the named beneficiary or  
2688 beneficiaries subject to the provisions of subsection (3).

2689 (3) If the named beneficiary or all of the named  
2690 beneficiaries survive the death of the person or persons opening  
2691 such an account and are under sixteen (16) years of age at such  
2692 time, the savings bank shall pay the money to the credit of the  
2693 account, less all proper setoffs and charges:

2694 (a) When or after the named beneficiary becomes sixteen  
2695 (16) years of age, to the named beneficiary or upon his order; or

2696 (b) When more than one (1) beneficiary is named, the  
2697 savings bank shall pay to each beneficiary so named his  
2698 proportionate interest in such account as each severally becomes  
2699 sixteen (16) years of age; or

2700 (c) To the legal guardian of the named beneficiary,  
2701 wherever appointed and qualified, or where more than one (1)  
2702 beneficiary is named, the savings bank shall pay such  
2703 beneficiary's proportionate interest in such account to his legal  
2704 guardian wherever and whenever appointed and qualified; or

2705 (d) In the event no guardian is appointed and  
2706 qualified, payment may be made in accordance with the provisions  
2707 of Section 93-13-211 et seq., Mississippi Code of 1972, in  
2708 situations to which such sections are applicable.

2709 (4) Where the death of the person or persons opening such an  
2710 account terminates the account under the provisions of subsections  
2711 (2) and (3) of this section and where one or more of the named  
2712 beneficiaries are under sixteen (16) years of age and the  
2713 remainder of the named beneficiaries are sixteen (16) years of age  
2714 or over, the savings bank shall pay the money to the credit of the  
2715 trust, less all proper setoffs and charges, to:

2716 (a) The named beneficiaries sixteen (16) years of age  
2717 or over at the time of termination of said account pursuant to  
2718 subsection (2) of this section; and

2719 (b) The named beneficiaries under sixteen (16) years of  
2720 age at the time of termination of said account pursuant to  
2721 subsection (3) of this section.

2722 (5) Where such account is opened or subsequently held by  
2723 more than one (1) person, the savings bank in the absence of any  
2724 written instructions to the contrary, consented to by the savings  
2725 bank, shall accept payments made to such account and may pay any  
2726 money to the credit of such account from time to time to, or  
2727 pursuant to the order of, either or any of such persons during  
2728 their life or lives in the same manner as if the account were in  
2729 the sole name of either of such persons.

2730 (6) When a person or persons opens an account in a savings  
2731 bank in the form set forth in subsection (1) of this section, and  
2732 makes a payment or payments to such account, or causes a payment  
2733 or payments to be made to such account, such person or persons  
2734 shall be conclusively presumed to intend to vest in the named  
2735 beneficiary or beneficiaries a present beneficial interest in such  
2736 payments made, and in the money to the credit of the account from  
2737 time to time, to the end that, if the named beneficiary or

2738 beneficiaries survive the person or persons opening such an  
2739 account, all the right and title of the person or persons opening  
2740 such an account in and to the money to the credit of the account  
2741 at the death of such person or persons, less all proper setoffs  
2742 and charges, shall at such death, vest solely and indefeasibly in  
2743 the named beneficiary or beneficiaries subject to the conditions  
2744 and limitations of subsection (3).

2745         (7) If the named beneficiary predeceases the person opening  
2746 such an account, the present beneficial interest presumed to be  
2747 vested in the named beneficiary pursuant to subsection (6) of this  
2748 section shall terminate at the death of the named beneficiary. In  
2749 such case, the personal representatives of the named beneficiary,  
2750 and all others claiming through or under the named beneficiary,  
2751 shall have no right in or title to the money to the credit of the  
2752 account, and the savings bank shall pay such money, less all  
2753 proper setoffs and charges, to the person opening such an account,  
2754 or pursuant to his order, in the same manner as if the account  
2755 were in the sole name of the person opening such an account;  
2756 provided, however, where such an account names more than one (1)  
2757 beneficiary, the death of one (1) of the beneficiaries so named  
2758 shall not terminate the account and the account shall continue as  
2759 to the surviving beneficiary or beneficiaries subject to the  
2760 provisions of subsection (3) of this section.

2761         (8) A savings bank which makes any payment pursuant to  
2762 subsection (3) of this section, prior to service upon the savings  
2763 bank of an order of court restraining such payment shall, to the  
2764 extent of each payment so made, be released from all claims of the  
2765 person or persons opening such an account, the named beneficiary  
2766 or beneficiaries, their legal representatives, and all others  
2767 claiming through or under them.

2768         (9) When an account is opened in a form described in  
2769 subsection (1) of this section, the right of the named beneficiary  
2770 or beneficiaries to be vested with sole and indefeasible title to

2771 the money to the credit of the account on the death of the person  
2772 or persons opening such an account shall not be denied, abridged  
2773 or in anyway affected because such right has not been created by a  
2774 writing executed in accordance with the law of this state  
2775 prescribing the requirements to effect a valid testamentary  
2776 disposition of property.

2777 SECTION 93. Section 81-14-365, Mississippi Code of 1972, is  
2778 reenacted as follows:

2779 81-14-365. Notwithstanding any other provision of law, a  
2780 processing fee may be charged and collected by any savings bank  
2781 for checks on which payment has been refused by the payor  
2782 depository institution. A savings bank may also collect such fee  
2783 for checks drawn on that savings bank with respect to an account  
2784 with insufficient funds.

2785 SECTION 94. Section 81-14-367, Mississippi Code of 1972, is  
2786 reenacted as follows:

2787 81-14-367. (1) A savings bank shall have a right of setoff,  
2788 without further agreement or pledge, upon all deposit accounts  
2789 owned by any member or customer to whom or upon whose behalf the  
2790 savings bank has made an unsecured advance of money by loans.  
2791 Upon default in the repayment of satisfaction thereof, the savings  
2792 bank may cancel on its books all or any part of the deposit  
2793 accounts owned by such member or customer and apply the value of  
2794 such accounts in payment of such obligation.

2795 (2) A savings bank which exercises the right of setoff  
2796 provided in this section shall first give a thirty-day notice to  
2797 the member or customer that such right will be exercised. Such  
2798 accounts may be held or frozen, with no withdrawals permitted,  
2799 during the thirty-day notice period. Such accounts may not be  
2800 canceled and the value thereof may not be applied to pay such  
2801 obligation until the thirty-day period has expired without the  
2802 member or customer having cured the default on the obligation.  
2803 The amount of any member's or customer's interest in a joint

2804 account or other account held in the names of more than one (1)  
2805 person shall be subject to the right of setoff provided in this  
2806 section.

2807 (3) If a savings bank shall proceed in good faith as  
2808 provided in this section, but it is later determined that the  
2809 savings bank was not entitled to have held or set off funds, then  
2810 the savings bank's sole obligation shall be to return the funds to  
2811 the member's or customer's account, together with interest at the  
2812 rate that would have applied if the account had not been held or  
2813 set off. The savings bank shall not otherwise be liable for any  
2814 costs or damages. This section is not exclusive, but shall be in  
2815 addition to contract, common law and other rights of setoff. Such  
2816 other rights shall not be governed in any fashion by this section.

2817 SECTION 95. Section 81-14-369, Mississippi Code of 1972, is  
2818 reenacted as follows:

2819 81-14-369. A savings bank and any federal savings bank may  
2820 issue savings accounts to any minor or other person under  
2821 disability as the sole and absolute owner of such savings account.  
2822 Such savings bank may receive payments by or for such owner, pay  
2823 withdrawals, accept pledges to the savings bank, and act in any  
2824 other manner with respect to such account on the written  
2825 instruction of such savings account holder in accord with this  
2826 chapter. Any payment or delivery of rights to any minor or other  
2827 person under a disability, or a receipt or acquittance signed by a  
2828 minor or other person under a disability, who holds a savings  
2829 account, shall be a valid and sufficient release of such savings  
2830 bank for any payment so made or delivery of rights to such minor  
2831 or person. The receipt, acquittance, pledge or other action  
2832 required by the savings bank to be taken by such minor or person  
2833 shall be binding upon such minor or person as if he were of full  
2834 age and legal capacity. The parent or guardian of such minor or  
2835 person shall not in his capacity as parent or guardian have the  
2836 power to attach or to transfer any savings account issued to, or

2837 in the name of, such minor or person; provided, however, that in  
2838 the event of the death of such minor or person, the receipt or  
2839 acquittance of either parent, a person standing in loco parentis,  
2840 guardian or conservator of such minor or person shall be a valid  
2841 and sufficient discharge of such savings bank for any sum not  
2842 exceeding One Thousand Dollars (\$1,000.00), unless the minor or  
2843 person has given written notice to the savings bank not to accept  
2844 the signature of such person.

2845 SECTION 96. Section 81-14-371, Mississippi Code of 1972, is  
2846 reenacted as follows:

2847 81-14-371. Notwithstanding any restrictions or limitations  
2848 contained in any law of this state, the deposit accounts of any  
2849 state savings bank or of any federal savings bank having its  
2850 principal office in this state, may be accepted by any agency,  
2851 department or official of this state in any case wherein such  
2852 agency, department or official acting in its or his official  
2853 capacity requires that securities be deposited with such agency,  
2854 department or official.

2855 SECTION 97. Section 81-14-373, Mississippi Code of 1972, is  
2856 reenacted as follows:

2857 81-14-373. Upon the filing with a savings bank by the holder  
2858 of records as shown by the books of the savings banks, or by his  
2859 legal representative, of an affidavit to the effect that the  
2860 account book, certificate or other evidence of ownership of his  
2861 savings account with the savings bank has been lost or destroyed,  
2862 and that such account book or certificate has not been pledged or  
2863 assigned in whole or in part, such savings bank shall issue a new  
2864 account book or certificate in the name of the holder of record.  
2865 Such savings bank shall in no way be liable thereafter for the  
2866 original account book or certificates, unless the board of  
2867 directors requires a bond in an amount sufficient to indemnify the  
2868 savings bank against any loss which might result from the issuance  
2869 of such new account book or certificate.



2870 SECTION 98. Section 81-14-375, Mississippi Code of 1972, is  
2871 reenacted as follows:

2872 81-14-375. The owner of a deposit account may transfer his  
2873 rights therein absolutely or conditionally to any other person  
2874 eligible to hold such rights, but such transfer may be made on the  
2875 books of the savings bank and accompanied by the proper  
2876 application for transfer by the transferor and transferee. Such  
2877 transferor and transferee shall accept such account subject to the  
2878 terms and conditions of the account contract, the bylaws of the  
2879 savings bank, the provisions of its certificate of incorporation,  
2880 and all rules and regulations of the commissioner.  
2881 Notwithstanding the effectiveness of such a transfer between the  
2882 parties thereto, the savings bank may treat the holder of record  
2883 of a deposit account as the owner thereof for all purposes,  
2884 including payment and voting, until such transfer and assignment  
2885 has been recorded by the savings bank.

2886 SECTION 99. Section 81-14-377, Mississippi Code of 1972, is  
2887 reenacted as follows:

2888 81-14-377. A savings bank may continue to recognize the  
2889 authority of an individual holding a power of attorney in writing  
2890 to manage or to make withdrawals, either in whole or in part, from  
2891 the deposit account of a customer or member until it receives  
2892 written or actual notice of death, or of adjudication of  
2893 incompetency of such member, or revocation of the authority of  
2894 such individual holding such power of attorney. Payment by the  
2895 savings bank to an individual holding a power of attorney prior to  
2896 receipt of such notice shall be a total discharge of the savings  
2897 bank's obligation as to the amount so paid.

2898 SECTION 100. Section 81-14-379, Mississippi Code of 1972, is  
2899 reenacted as follows:

2900 81-14-379. Notice to any savings bank doing business in this  
2901 state of an adverse claim to an account on its books in the name  
2902 of any savings account holder shall not cause the savings bank to

2903 recognize such adverse claimant, unless: (a) such adverse  
2904 claimant either procures a restraining order, injunction or other  
2905 appropriate process against the savings bank from a court of  
2906 competent jurisdiction wherein the savings account holder, in  
2907 whose name the account appears, is made a party and served with  
2908 summons; or (b) such adverse claimant executes to the savings  
2909 bank, in form and with sureties acceptable to it, a bond  
2910 indemnifying it from any and all liability, loss, damage, costs  
2911 and expenses for and on the account of the payment of such adverse  
2912 claim.

2913 SECTION 101. Section 81-14-381, Mississippi Code of 1972, is  
2914 reenacted as follows:

2915 81-14-381. When an account is held in any savings bank by a  
2916 person residing in another state or country, the account, or any  
2917 part thereof, not in excess of Two Thousand Five Hundred Dollars  
2918 (\$2,500.00), may be paid to the administrator or executor  
2919 appointed in the state or country where the account holder resides  
2920 at the time of death; provided, however, that such administrator  
2921 or executor has furnished the savings bank with (a) authenticated  
2922 copies of his letters and of the order of the court which issued  
2923 the letters to him authorizing him to collect, receive and remove  
2924 the personal estate, and (b) an affidavit by the administrator or  
2925 executor stating that to his knowledge no letters are then  
2926 outstanding in this state and no petition for letters by an heir,  
2927 legatee, devisee or creditor of the decedent is pending on the  
2928 estate in this state, and that there are no creditors of the  
2929 estate in this state. Upon payment or delivery to such  
2930 representative after receipt of the affidavit and authenticated  
2931 copies, the savings bank is released and discharged to the same  
2932 extent as if the payment or delivery had been made to a legally  
2933 qualified resident executor or administrator. Such savings bank  
2934 is not required to see to the application or disposition of the  
2935 property. No action at law or in equity shall be maintained

2936 against the savings bank for payment made in accordance with the  
2937 above provisions.

2938 SECTION 102. Section 81-14-383, Mississippi Code of 1972, is  
2939 reenacted as follows:

2940 81-14-383. Any savings bank may pay to the heirs at law of a  
2941 deceased savings account holder, without necessity of  
2942 administration, upon affidavit that deceased died leaving no will  
2943 and testament and bond signed by each of the heirs guaranteeing  
2944 payment of any lawful debts of the deceased to the extent of such  
2945 withdrawal, any sum in the decedent's account not to exceed Seven  
2946 Thousand Five Hundred Dollars (\$7,500.00). The receipt of  
2947 acquittance of the person or persons so paid shall be a valid and  
2948 sufficient release and discharge to the savings bank against all  
2949 other persons and claimants for any payment so made; provided,  
2950 however, such bond is made available to any creditor for suit  
2951 against the makers of such bond.

2952 SECTION 103. Section 81-14-385, Mississippi Code of 1972, is  
2953 reenacted as follows:

2954 81-14-385. (1) Administrators, executors, custodians,  
2955 guardians, trustees, pension funds and other fiduciaries of every  
2956 kind and nature, insurance companies, business and manufacturing  
2957 companies, banks, credit unions and all other types of financial  
2958 institutions, charitable, educational and eleemosynary  
2959 institutions and organizations hereby are specifically authorized  
2960 and empowered to invest funds held by them, without any order of  
2961 any court, in savings accounts of savings banks which are under  
2962 state supervision, and in accounts of insured savings banks. Such  
2963 investments shall be deemed and held to be legal investments for  
2964 such funds. With respect to investments by custodians, savings  
2965 banks hereby are deemed to be qualified institutions within the  
2966 meaning of that term as used in the Uniform Gifts to Minors Law of  
2967 this state.

2968           (2) The provisions of this section are supplemental to any  
2969 and all other laws relating to and declaring what shall be legal  
2970 investments for the persons, fiduciaries, corporations,  
2971 organizations and officials referred to in this section, and the  
2972 laws relating to the deposit of securities and the making and  
2973 filing of bonds for any purpose.

2974           SECTION 104. Section 81-14-387, Mississippi Code of 1972, is  
2975 reenacted as follows:

2976           81-14-387. A savings bank may borrow up to twenty-five  
2977 percent (25%) of its savings liability and net worth for lending  
2978 purposes; a savings bank may borrow an additional twenty-five  
2979 percent (25%) of its savings liability and net worth for the  
2980 purpose of making loans guaranteed by the Federal Housing  
2981 Administration, a private mortgage guaranty insurance company  
2982 licensed to do business in this state, or by the Veterans  
2983 Administration; a savings bank may borrow up to fifty percent  
2984 (50%) of its savings liability and net worth to pay withdrawals.  
2985 Borrowing of additional amounts for purchase or construction of a  
2986 home office or branch office is authorized, but only with approval  
2987 of the commissioner. Subsequent reduction of savings liability  
2988 and net worth shall not in any way affect outstanding obligations,  
2989 but shall be reported to the commissioner and steps taken to  
2990 comply within a reasonable time. The directors may pledge or  
2991 authorize the officers to pledge any assets of the savings bank to  
2992 secure any loans herein permitted. For the purpose of this  
2993 paragraph, use of savings accounts in the savings bank shall not  
2994 be considered borrowing.

2995           SECTION 105. Section 81-14-389, Mississippi Code of 1972, is  
2996 reenacted as follows:

2997           81-14-389. Any state savings bank shall have the power to  
2998 subscribe to the capital stock and become a member of a federal  
2999 reserve bank. Any such savings bank shall continue to be subject  
3000 to the supervision and examination required by the laws of this

3001 state, except that the Federal Reserve Board shall have the right,  
3002 if it deems necessary, to make examinations. The commissioner may  
3003 disclose to the Federal Reserve Board, or to the examiners duly  
3004 appointed by it, all information in reference to the affairs of  
3005 any savings bank which has become, or desires to become, a member  
3006 of a federal reserve bank.

3007 SECTION 106. Section 81-14-401, Mississippi Code of 1972, is  
3008 reenacted as follows:

3009 81-14-401. (1) Notwithstanding any other provision of law,  
3010 any stock savings bank may simultaneously with its incorporation  
3011 or conversion to a stock savings bank provide for its ownership by  
3012 a holding company. In the case of a conversion, members of the  
3013 converting savings bank shall have the right to purchase capital  
3014 stock of the holding company in lieu of capital stock of the  
3015 converted savings bank in accordance with Section 81-14-107(3)(f).

3016 (2) Notwithstanding any other provision of law, any stock  
3017 savings bank may reorganize its ownership to provide for ownership  
3018 by a holding company, upon adoption of a plan of reorganization by  
3019 a favorable vote of not less than two-thirds (2/3) of the members  
3020 of the board of directors of the savings bank and approval of such  
3021 plan of reorganization by the holders of not less than a majority  
3022 of the issued and outstanding shares of stock of the savings bank.  
3023 The plan of reorganization shall provide that (a) the resulting  
3024 ownership shall be vested in a Mississippi corporation; (b) all  
3025 stockholders of the stock savings bank shall have the right to  
3026 exchange shares; (c) the exchange of stock shall not be subject to  
3027 state or federal income taxation; (d) stockholders not wishing to  
3028 exchange shares shall be entitled to dissenters' rights as  
3029 provided under Section 79-4-13.01 et seq., Mississippi Code of  
3030 1972, and (e) the plan of reorganization is fair and equitable to  
3031 all stockholders.

3032 (3) Notwithstanding any other provision of law, any mutual  
3033 savings bank may reorganize its ownership to provide for ownership

3034 by a holding company upon adoption of a plan of reorganization by  
3035 favorable vote of not less than two-thirds (2/3) of the members of  
3036 the board of directors of the savings bank and approval of the  
3037 plan of reorganization by a majority of the voting members of the  
3038 savings bank. The plan of reorganization shall provide: (a) the  
3039 resulting ownership of one (1) or more subsidiary savings banks  
3040 shall be evidenced by stock shares; (b) the substantial portion of  
3041 the assets and all of the insured deposits and part or all of the  
3042 other liabilities shall be transferred to one (1) or more  
3043 subsidiary savings banks; (c) the reorganization shall not be  
3044 subject to state or federal income taxation; and (d) the plan of  
3045 reorganization is fair and equitable to all members of the savings  
3046 bank. The commissioner shall promulgate rules regarding the  
3047 formation of the subsidiary savings banks and the holding company,  
3048 including the rights of members, levels of investment in the  
3049 holding company subsidiaries, and stock sales.

3050 (4) A holding company may invest in any investment  
3051 authorized by its board of directors, except as limited by  
3052 regulations promulgated by the commissioner pursuant to this  
3053 chapter.

3054 (5) Any entity which controls a stock savings bank, or  
3055 acquires control of a stock savings bank, is a holding company.  
3056 As used in this section, "entity" means an individual,  
3057 corporation, partnership, joint venture, trust, estate or  
3058 unincorporated association.

3059 (6) Holding companies shall be under the supervision of the  
3060 commissioner. The commissioner shall exercise all powers and  
3061 responsibilities with respect to holding companies which he  
3062 exercises with respect to savings banks. However, a bank holding  
3063 company subject to regulation by the Federal Reserve Board or an  
3064 entity that controls one or more commercial banks shall not be  
3065 considered a holding company for purposes of this chapter, even if  
3066 such bank holding company or entity also owns or controls one or

3067 more savings banks, savings institutions or thrift institutions.  
3068 Notwithstanding any other provision of law, such bank holding  
3069 company or entity shall not be subject to supervision or  
3070 regulation by the department, commissioner or board, and the  
3071 department, commissioner or board shall not have access to the  
3072 books and records of such bank holding company or entity.

3073 SECTION 107. Section 81-14-403, Mississippi Code of 1972, is  
3074 reenacted as follows:

3075 81-14-403. (1) Any entity contemplating an action that will  
3076 result in the change of control of a savings bank or savings  
3077 bank's holding company shall first make application to the  
3078 commissioner for a certificate of approval. Such application  
3079 shall be in the form prescribed by the commissioner and shall  
3080 contain such information as he shall require.

3081 (2) Notwithstanding the provisions of this chapter, the  
3082 commissioner may define "control" by rule and regulation in a  
3083 manner to ensure uniformity with federal law, regulation and  
3084 usage.

3085 SECTION 108. Section 81-14-501, Mississippi Code of 1972,  
3086 which is a repealer on the statutes providing for the regulation  
3087 of savings banks, is repealed.

3088 SECTION 109. The Legislature recommends that all sections  
3089 which are reenacted but not amended in this act, and which appear  
3090 in the main volume of the Mississippi Code of 1972, shall not be  
3091 reprinted in the supplement, but that an editor's note shall  
3092 appear in the supplement in the proper place to explain that the  
3093 section was reenacted and the language as it appears in the main  
3094 volume was unaffected by the legislation and consequently has not  
3095 been reprinted in the supplement.

3096 SECTION 110. This act shall take effect and be in force from  
3097 and after July 1, 2001.