

By: Representative Ford

To: Banks and Banking

HOUSE BILL NO. 464
(As Sent to Governor)

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 AMEND REENACTED SECTION 81-14-383, MISSISSIPPI
4 CODE OF 1972, TO INCREASE THE MAXIMUM AMOUNT THAT SAVINGS BANKS
5 MAY PAY TO THE SUCCESSORS OF DECEASED DEPOSITORS WITHOUT NECESSITY
6 OF ADMINISTRATION; TO REPEAL SECTION 81-14-501, MISSISSIPPI CODE
7 OF 1972, WHICH IS A REPEALER ON THE STATUTES PROVIDING FOR THE
8 REGULATION OF SAVINGS BANKS; AND FOR RELATED PURPOSES.

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

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

12 81-14-1. This chapter shall be known and may be cited as the
13 "Savings Bank Law."

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

16 81-14-3. The purpose of this chapter is:

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

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

23 (c) To provide for the protection of the interests of
24 customers and members;

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

28 (e) To provide for an increase in the savings base of
29 the state and for local control of the means of finance and
30 accumulation of capital;

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

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

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

41 81-14-5. The provisions of this chapter, unless the context
42 otherwise specifies, shall apply to all state savings banks.

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

45 81-14-7. As used in this chapter, unless the context
46 otherwise requires, the following terms shall have the meanings
47 ascribed herein:

48 (a) "Affiliate" means any person or corporation which
49 controls, is controlled by, or is under common control with a
50 savings institution.

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

61 is a director or officer of the applicant or any of its parents or
62 subsidiaries.

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

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

66 (e) "Branch office" means an office of a savings bank
67 other than its principal office which renders savings institution
68 services.

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

71 (g) "Certificate of incorporation of charter" means the
72 document which represents the corporate existence of a state
73 savings bank.

74 (h) "Commissioner" means the Commissioner of Banking
75 and Consumer Finance.

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

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

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

88 (l) "Disinterested directors" means those directors who
89 have absolutely no direct or indirect financial interest in the
90 matter before them.

91 (m) "Dividends on stock" means the earnings of a
92 savings bank paid out to holders of capital stock in a stock
93 savings bank.

94 (n) "Department" means the Department of Banking and
95 Consumer Finance.

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

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

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

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

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

112 (t) "Mutual savings bank" means a savings bank owned by
113 members of the savings bank and organized under the provisions of
114 this chapter.

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

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

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

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

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

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

134 (aa) "Savings bank" includes a state savings bank or a
135 federal savings bank unless limited by use of the words "state" or
136 "federal."

137 (bb) "Savings institution" means either an association
138 or a savings bank.

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

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

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

157 (ff) "State savings bank" means a depository
158 institution organized under this chapter and operated under the

159 provisions of this chapter; or a corporation organized under the
160 provisions of the laws of this state or federal law and so
161 converted as to be operated under the provisions of this chapter.

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

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

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

169 81-14-51. Any hearing required to be held by this chapter
170 shall be conducted in accordance with applicable provisions as
171 prescribed by the commissioner.

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

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

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

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

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

191 corporation, company or savings bank domiciled and doing business
192 in this state shall:

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

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

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

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

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

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

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

224 (b) The names and addresses of the incorporators and
225 the initial members of the board of directors;

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

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

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

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

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

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

243 (e) The proposed bylaws;

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

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

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

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

256 (a) The name of the savings bank which shall not
257 closely resemble the name of an existing depository institution
258 doing business under the laws of this state so as to mislead the
259 public;

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

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

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

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

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

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

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

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

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

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

289 doing business under the laws of this state so as to mislead the
290 public;

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

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

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

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

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

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

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

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

315 (g) A statement as to whether stockholders have
316 preemptive rights to acquire additional or treasury shares of the
317 savings bank;

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

322 (i) The number of directors, which shall not be less
323 than five (5), constituting the initial board of directors (which
324 may be classified in accordance with provisions in the certificate
325 of incorporation) and the name and address of each person who is
326 to serve as a director until the first meeting of the
327 stockholders, or until his successor is duly elected;

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

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

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

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

343 81-14-63. (1) The commissioner may recommend approval of an
344 application to form a mutual savings bank only when all of the
345 following criteria are met:

346 (a) The proposed savings bank has an operational
347 expense fund from which to pay organizational and incorporation
348 expenses in an amount determined by the commissioner to be
349 sufficient for the safe and proper operation of the savings bank;
350 provided, however, that such expense fund shall not contain less
351 than Seventy-five Thousand Dollars (\$75,000.00). The monies
352 remaining in such expense fund shall be held by the savings bank
353 for at least one (1) year from its date of licensing. No portion
354 of such fund shall be released to an incorporator or director who

355 contributed to it, nor to any other contributor, nor to any other
356 person, and no dividends shall be accrued or paid on such funds
357 without the prior approval of the commissioner.

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

366 (c) All entrance fees for deposit accounts of the
367 proposed savings bank have been made with legal tender of the
368 United States.

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

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

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

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

383 (h) The proposed savings bank will have a reasonable
384 probability of sustaining profitable and beneficial operations in
385 the community.

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

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

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

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

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

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

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

414 (f) The proposed savings bank will have a reasonable
415 probability of sustaining profitable and beneficial operations in
416 the community.

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

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

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

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

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

437 (a) A statement that the application has been filed
438 with the commissioner;

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

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

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

448 (e) When a certificate of incorporation is sought in
449 order to effect the acquisition of an insolvent financial

450 institution that is being sold pursuant to the provisions of state
451 or federal law, any constraints of time imposed herein shall not
452 apply if the commissioner determines that an emergency exists
453 which requires expedition in granting a certificate in order to
454 protect the interests of the public and the interests of the
455 depositors and creditors of the financial institution.

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

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

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

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

480 (3) Upon receipt of the certificate of approval, the
481 original of the certificate of incorporation, and the two (2)
482 copies, the Secretary of State shall, upon the payment by the

483 newly chartered savings bank of the appropriate organization tax
484 and fees, file the certificate of incorporation. He shall certify
485 under his official seal the two (2) copies of the certificate of
486 incorporation, one (1) of which shall be forwarded to the
487 incorporators or their representative, the other shall be
488 forwarded to the office of the commissioner for filing. Upon the
489 recordation of the certificate of incorporation by the Secretary
490 of State, the savings bank shall be a body politic and corporate
491 under the name stated in such certificate, and shall be authorized
492 to begin the savings bank business when duly licensed by the
493 commissioner.

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

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

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

509 81-14-69. The final decision of the board may be appealed by
510 an applicant for a charter in accordance with Section 81-14-175.

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

513 81-14-71. All state savings banks must obtain and maintain
514 insurance on all members' and customers' deposit accounts from an
515 insurance corporation created by an act of Congress. Prior to the

516 licensing of a savings bank, a certificate of incorporation duly
517 recorded under the provisions of Section 89-19-67(3) shall be
518 deemed to be sufficient certification to the insurance corporation
519 that must be obtained within the time limit prescribed
520 hereinafter. Subject to the rules and regulations of the
521 commissioner, a state savings bank may obtain or participate in
522 efforts to obtain insurance of deposits that is in excess of the
523 amount eligible for federal insurance of accounts. Such insurance
524 shall be known as "excess insurance."

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

527 81-14-73. All state savings banks must qualify for and
528 maintain eligibility for the bad debt reserve under Section
529 7701(a)(19) of the Internal Revenue Code of 1968 and any
530 amendments thereto.

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

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

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

551 81-14-77. A newly chartered savings bank shall be entitled
552 to a license fee to operate upon payment to the department of the
553 appropriate license fee as prescribed by the commissioner and upon
554 evidence presented to the commissioner of the following:

- 555 (a) Capable, efficient and equitable management;
- 556 (b) Organization of the savings bank pursuant to law;
- 557 (c) Completion of the organization of the savings bank;

558 and

- 559 (d) Passage of final inspection by the commissioner or
560 his representative.

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

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

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

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

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

583 81-14-83. (1) Any state savings bank may apply to the
584 commissioner for permission to establish a branch office. The
585 application shall be in such form as may be prescribed by the
586 commissioner and shall be approved or denied by the commissioner
587 within one hundred twenty (120) days of filing.

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

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

592 (b) The applicant has evidenced financial
593 responsibility;

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

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

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

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

614 (a) A statement that the branch application has been
615 filed with the commissioner;

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

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

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

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

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

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

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

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

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

653 81-14-89. No branch office in this state may be discontinued
654 or abandoned without the consent in writing of the commissioner
655 first obtained.

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

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

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

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

680 its articles of incorporation or articles of association as
681 approved by the members or stockholders for the operation of the
682 institution as a state-chartered savings bank. Upon receipt of
683 the prescribed application, the commissioner shall examine all
684 facts associated with the conversion. The expenses and cost
685 incurred for such special examination shall be paid by the
686 institution applying for permission to convert. The commissioner
687 shall present his findings and recommendations to the State Board
688 of Banking Review for consideration. Upon approval by the State
689 Board of Banking Review, the commissioner shall issue a
690 certificate of authority to the applicant allowing the conversion
691 to proceed.

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

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

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

707 (b) A meeting of the members or stockholders shall be
708 held after fifteen (15) days' notice to each member or
709 stockholder. The board of directors may provide notice of the
710 meeting to each member or stockholder either by mail, postage
711 prepaid, or by publication of notice, once a week for two (2)
712 weeks preceding such meeting, in a newspaper of general

713 circulation in the county where such savings bank has its
714 principal office. The notice may contain the following statement:
715 "The purpose of this meeting is to consider the conversion of this
716 state-chartered savings bank to a federal charter, pursuant to the
717 laws of the United States." An appropriate officer of the savings
718 bank shall make proof by affidavit at such meeting of due service
719 of the notice for such meeting.

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

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

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

745 (f) Whenever any savings bank shall convert to a
746 federal charter, it shall cease to be a savings bank under the
747 laws of this state; provided, however, that its corporate
748 existence shall be extended for the purpose of prosecuting or
749 defending suits, enabling such savings bank to close its business
750 affairs as a state savings bank, and disposing of and conveying
751 its property. At the time when such conversion becomes effective,
752 all the property of the state savings bank, including all its
753 rights, title and interest in and to all property of whatever
754 kind, and every right, privilege, interest and asset of any
755 conceivable value or benefit then existing, belonging or
756 pertaining to it, or which would inure to it, shall immediately by
757 act of law and without any conveyance or transfer, and without any
758 further act or deed, be vested in and become the property of the
759 federal depository institution which shall have, hold and enjoy
760 such property in its own right as fully as such property was
761 possessed, held and enjoyed by the savings bank; and the federal
762 depository institution as of the effective time of such conversion
763 shall succeed to all the rights, obligations and relations of the
764 state savings bank.

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

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

776 (2) In the event of a federal charter to state charter
777 conversion, when the form of ownership will also simultaneously be

778 changed from stock to mutual or from mutual to stock, the
779 conversion shall proceed initially as if it involves only a
780 charter conversion under Section 81-14-101. After the federal
781 depository institution becomes a state savings bank, the
782 provisions of Section 81-14-107 or Section 81-14-109 shall govern
783 the continuing conversion of the form of ownership of such newly
784 converted savings bank.

785 (3) The provisions of this section shall not apply to any
786 simultaneous charter and ownership conversion accomplished in
787 conjunction with a merger under the provisions of Section
788 81-14-117.

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

791 81-14-107. (1) Any mutual savings bank may convert from
792 mutual to the stock form of ownership as provided in this section.

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

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

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

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

808 (c) The conversion will be fair and equitable to the
809 members of the savings bank and no person whether member, employee

810 or otherwise, will receive any inequitable gain or advantage by
811 reason of the conversion;

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

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

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

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

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

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

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

843 (5) The commissioner may promulgate such rules and
844 regulations as may be necessary to govern conversions; however,
845 such rules and regulations as may be promulgated by the
846 commissioner shall be equal to or exceed the requirements for
847 conversion, if any, imposed by the federal insurer of deposit
848 accounts.

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

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

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

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

862 (c) The public shall not be adversely affected by the
863 conversion;

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

871 (e) The plan of conversion provides that:

872 (i) Deposit accounts will be issued in connection
873 with the conversion to the stockholders of the converting savings
874 bank;

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

878 (iii) Deposit accounts made available to
879 stockholders will be based upon a fair and equitable formula
880 approved by the commissioner and fully and fairly disclosed to the
881 stockholders of the converting savings bank.

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

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

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

900 (b) A meeting of the members or stockholders of each of
901 the savings banks shall be held separately upon written notice of
902 not less than fifteen (15) days to members or stockholders of each
903 savings bank. The notice shall specify the time, place and
904 purpose for the meeting. Notice shall be made by personal service
905 or postage prepaid mail to the last address of each member or
906 stockholder appearing upon the records of the savings bank, or by
907 publication of notice, at least once a week for two (2) weeks

908 preceding the meeting, in one or more newspapers of general
909 circulation in the county or counties where each savings bank has
910 its principal or a branch office, or in a newspaper of general
911 circulation in an adjoining county if none is available in the
912 county. An appropriate officer of the savings bank shall make
913 proof by affidavit at such meeting of the due service of the
914 notice for such meeting.

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

941 merger. Within sixty (60) days after its receipt from the
942 Secretary of State, the certified copy of the certificate shall be
943 filed with the registrar of deeds of the county or counties in
944 which the respective savings banks so merged have recorded their
945 original certificates of incorporation. Failure to file shall
946 subject the savings bank to a penalty of One Hundred Dollars
947 (\$100.00) to be collected by the Secretary of State. If the
948 commissioner disapproves the proceedings, he shall issue a written
949 statement of the reasons for his disapproval and notify the
950 savings bank to that effect.

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

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

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

974 (iii) A pending action or other judicial
975 proceeding to which any merging savings bank is a party shall not
976 be deemed to have abated or to have discontinued by reason of the
977 merger, but may be prosecuted to final judgment, order or decree
978 as if the merger had not occurred; or the receiving savings bank
979 may be substituted as a party to such action or proceeding, and
980 any judgment, order or decree may be rendered for or against the
981 receiving savings bank as if the merger had not occurred.

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

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

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

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

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

1000 SECTION 33. Section 81-14-115, Mississippi Code of 1972, is
1001 reenacted as follows:

1002 81-14-115. (1) Any two (2) or more savings banks, when one
1003 or more is mutually owned and one or more is stock owned, may
1004 merge to form either a mutual or stock savings bank in separate
1005 conversion-merger proceedings and in simultaneous
1006 conversion-merger proceedings.

1007 (2) The commissioner may promulgate rules and regulations to
1008 facilitate the merger of mutual and stock savings banks.

1009 SECTION 34. Section 81-14-117, Mississippi Code of 1972, is
1010 reenacted as follows:

1011 81-14-117. (1) Any combination of associations and state
1012 savings banks may merge to form either an association or state
1013 savings bank.

1014 (2) The commissioner shall promulgate rules and regulations
1015 to facilitate the merger of associations and state savings banks.

1016 SECTION 35. Section 81-14-119, Mississippi Code of 1972, is
1017 reenacted as follows:

1018 81-14-119. (1) Any two (2) or more depository institutions,
1019 when one or more is a state savings bank and one or more is a
1020 federal depository institution operating in Mississippi, may merge
1021 under either a state savings bank charter or a federal charter.

1022 (2) The commissioner shall promulgate rules and regulations
1023 to facilitate the merger of federal depository institutions and
1024 state savings banks.

1025 SECTION 36. Section 81-14-121, Mississippi Code of 1972, is
1026 reenacted as follows:

1027 81-14-121. At any annual or special meeting called for such
1028 purpose, a savings bank may, by an affirmative vote in person or
1029 by proxy of at least two-thirds (2/3) of the total number of
1030 shares or votes which all members or stockholders of the
1031 association are entitled to cast, resolve to dissolve and
1032 liquidate the savings bank and adopt a plan of voluntary
1033 dissolution. Upon adoption of such resolution and plan of
1034 voluntary dissolution, the members or stockholders shall proceed
1035 to elect not more than three (3) liquidators who shall post bond
1036 as required by the commissioner. The liquidators shall have full
1037 power to execute the plan. The procedure thereafter shall be as
1038 follows:

1039 (a) A copy of the resolution certified by an
1040 appropriate officer of the savings bank, the minutes of the
1041 meeting of members or stockholders, the plan of liquidation and an
1042 itemized statement of the savings bank's assets and liabilities
1043 sworn to by a majority of its board of directors, shall be filed
1044 with the commissioner. The minutes of the meeting of members or
1045 stockholders shall be certified by an appropriate officer of the
1046 institution and shall set forth the notice given and the time of
1047 mailing thereof, the vote on the resolution and the total number
1048 of shares or votes which all members of the savings bank were
1049 entitled to cast thereon, and the names of the liquidators
1050 elected.

1051 (b) If the commissioner finds that the proceedings are
1052 in accordance with the provisions of this chapter and that the
1053 plan of liquidation is not reasonably unfair to any person
1054 affected, he shall attach his certificate of approval to the plan
1055 and shall forward one (1) copy to the liquidators and one (1) copy
1056 to the savings bank's federal deposit account insurance
1057 corporation. Once the commissioner has approved the resolution
1058 and the plan of liquidation, it shall thereafter be unlawful for
1059 such savings bank to accept any additional deposit accounts or
1060 additions to deposit accounts or make any additional loans. All
1061 of the income and receipts in excess of actual expenses of
1062 liquidation of the savings bank shall be applied to the discharge
1063 of its liabilities.

1064 (c) The liquidator or liquidators so appointed shall be
1065 paid a reasonable compensation by the liquidating savings bank
1066 subject to the approval of the commissioner.

1067 (d) The plan shall become effective upon the recording
1068 of the commissioner's certificate of approval in the manner
1069 required by this chapter for the recording of the certificate of
1070 incorporation.

1071 (e) The liquidation of the savings bank shall be
1072 subject to the supervision and examination of the commissioner.

1073 SECTION 37. Section 81-14-123, Mississippi Code of 1972, is
1074 reenacted as follows:

1075 81-14-123. (1) The commissioner shall promulgate rules and
1076 regulations governing the dissolution and liquidation of state
1077 savings banks.

1078 (2) Upon completion of liquidation, the liquidators shall
1079 file with the commissioner a final report and accounting of the
1080 liquidation. The approval of the report by the commissioner shall
1081 operate as a complete and final discharge of the liquidators, the
1082 board of directors and each member or stockholder in connection
1083 with the liquidation of the savings bank. Upon approval of the
1084 report, the commissioner shall issue a certificate of dissolution
1085 of the savings bank and shall record such certificate in the
1086 manner required by this chapter for the recording of certificates
1087 of incorporation. Upon such recording, the dissolution shall be
1088 effective.

1089 SECTION 38. Section 81-14-125, Mississippi Code of 1972, is
1090 reenacted as follows:

1091 81-14-125. No savings bank shall declare or pay any dividend
1092 upon its common stock unless such savings bank has received
1093 written approval by the Commissioner of Banking and Consumer
1094 Finance. Directors declaring a dividend in violation of the
1095 provisions of this section shall be personally liable to the full
1096 amount of the dividend so declared and it shall be the duty of the
1097 commissioner, upon discovering the payment of any such dividend,
1098 to forthwith make demand upon the directors that the same be
1099 restored to the savings bank, and upon their failure so to do he
1100 shall cause suit to be brought against them in the chancery court
1101 of the county in which the savings bank is located, either in his
1102 name or in the name of the savings bank, to recover the same for
1103 the benefit of the savings bank.

1104 SECTION 39. Section 81-14-127, Mississippi Code of 1972, is
1105 reenacted as follows:

1106 81-14-127. (1) Notwithstanding any other provision of this
1107 chapter, in order to protect the public, the commissioner, upon
1108 making a finding that a state savings bank is unable to operate in
1109 a safe and sound manner, may authorize or require a short form
1110 merger and conversion of the state savings bank, or any other
1111 transaction, as to which the finding is made.

1112 (2) The commissioner shall promulgate rules and regulations
1113 to govern mergers, consolidations, conversions, combination
1114 mergers and conversions and other supervisory action authorized by
1115 this section.

1116 SECTION 40. Section 81-14-129, Mississippi Code of 1972, is
1117 reenacted as follows:

1118 81-14-129. (1) Article 2 of this chapter shall not apply to
1119 applications for permission to organize an interim state savings
1120 bank so long as the application is approved by the commissioner.

1121 (2) Preliminary approval of an application for permission to
1122 organize an interim state savings bank shall be conditional upon
1123 the commissioner's approval of an application to merge the interim
1124 savings bank and an existing stock savings bank or on the
1125 commissioner's approval of any other transaction.

1126 (3) The commissioner shall promulgate rules and regulations
1127 to govern the formation of interim savings banks authorized by
1128 this section.

1129 SECTION 41. Section 81-14-151, Mississippi Code of 1972, is
1130 reenacted as follows:

1131 81-14-151. The commissioner is empowered and directed to
1132 perform the duties and exercise the powers as to savings banks
1133 organized or operated under this chapter, except as otherwise
1134 provided herein.

1135 SECTION 4. Section 81-14-153, Mississippi Code of 1972, is
1136 reenacted as follows:

1137 81-14-153. (1) The commissioner shall have the authority to
1138 promulgate rules, instructions and regulations necessary to the
1139 discharge of his duties and powers for the supervision and
1140 regulation of savings banks and for the protection of the public
1141 investment in savings banks.

1142 (2) Without limiting the generality of subsection (1),
1143 rules, instructions and regulations may be promulgated with
1144 respect to:

- 1145 (a) Reserve requirements;
- 1146 (b) Stock ownership and dividends;
- 1147 (c) Stock transfers;
- 1148 (d) Incorporators, stockholders, directors, officers
1149 and employees of a savings bank;
- 1150 (e) Bylaws;
- 1151 (f) The operation of savings banks;
- 1152 (g) Deposit accounts, bonus plans and contracts for
1153 savings programs;
- 1154 (h) Loans and loan expenses;
- 1155 (i) Investments;
- 1156 (j) Forms and definitions;
- 1157 (k) Types of financial records to be maintained by
1158 savings banks;
- 1159 (l) Retention periods of various financial records;
- 1160 (m) Internal control procedures of savings banks;
- 1161 (n) Conduct and management of savings banks;
- 1162 (o) Chartering and branching;
- 1163 (p) Liquidations;
- 1164 (q) Mergers;
- 1165 (r) Conversions;
- 1166 (s) Reports which may be required by the commissioner;
- 1167 (t) Conflicts of interest;
- 1168 (u) Service corporations; and
- 1169 (v) Holding companies.

1170 (3) Any state savings bank may cause any or all of its
1171 records in its custody to be reproduced in a format of storage
1172 commonly used, whether electronic, imaged, magnetic,
1173 microphotographic, or otherwise, and any reproduction so made
1174 shall have the same force and effect as the original thereof and
1175 be admitted in evidence equally with the original.

1176 SECTION 43. Section 81-14-155, Mississippi Code of 1972, is
1177 reenacted as follows:

1178 81-14-155. (1) If at any time the commissioner deems it
1179 prudent, it shall be his duty to examine and investigate
1180 everything relating to the business of a state savings bank, or a
1181 holding company thereof, and to appoint a suitable and competent
1182 person to make such investigation. The investigator shall file
1183 with the commissioner a full report of his finding in such case,
1184 including in his report any violation of law, or any unauthorized
1185 or unsafe practices of the savings bank, disclosed by his
1186 examination.

1187 (2) The commissioner shall furnish a copy of such report to
1188 the savings bank under investigation and may, upon request,
1189 furnish a copy of the report to the insurer of accounts.

1190 (3) No savings bank shall willfully delay or willfully
1191 obstruct an examination in any fashion. Any person failing to
1192 comply with this subsection shall be guilty of a misdemeanor.

1193 (4) No person having in his possession or control any books,
1194 accounts or papers of any state savings bank shall refuse to
1195 exhibit such books, accounts or papers to the commissioner or his
1196 agents on demand, or shall knowingly or willingly make any false
1197 statement in regard to such books, accounts or papers. Any person
1198 failing to comply with this subsection shall be guilty of a
1199 misdemeanor.

1200 SECTION 44. Section 81-14-157, Mississippi Code of 1972, is
1201 reenacted as follows:

1202 81-14-157. (1) Every state savings bank, including savings
1203 banks in the process of voluntary liquidation, or a holding
1204 company thereof, shall pay into the office of the commissioner an
1205 annual supervisory fee and fees for various activities in the same
1206 amounts and in the same manner as charged to savings associations
1207 under Section 81-12-193.

1208 (2) All funds and revenue collected by the department under
1209 the provisions of this section and all other sections of this
1210 chapter which authorize the collection of fees and other funds,
1211 except for the civil penalties provided in Sections 81-14-203 and
1212 81-14-205, shall be deposited with the State Treasurer to the
1213 credit of the department and expended solely to defray expenses
1214 incurred by the office of the commissioner in carrying out the
1215 supervisory and auditing functions. The civil penalties provided
1216 in Sections 81-14-203 and 81-14-205 shall be deposited into the
1217 State General Fund, unless such penalty is appealed to a court of
1218 competent jurisdiction as provided in Section 81-14-213, in which
1219 case such penalty shall then be deposited with the State Treasurer
1220 to the credit of the department until such appeal is resolved. If
1221 such appeal is resolved in favor of the department, then the
1222 commissioner shall notify and direct the State Treasurer to
1223 transfer the amount of such fine from the credit of the department
1224 to the credit of the State General Fund.

1225 (3) Notwithstanding any of the provisions of this section,
1226 whenever the commissioner under the provisions of Section
1227 81-14-155 appoints a suitable and competent person, other than a
1228 person employed by the commissioner's office, to make an
1229 examination and investigation of the business of a state savings
1230 bank, all costs and expenses relative to such examination and
1231 investigation shall be paid by such savings bank.

1232 SECTION 45. Section 81-14-159, Mississippi Code of 1972, is
1233 reenacted as follows:

1234 81-14-159. (1) If, in the opinion of the commissioner an
1235 examination conducted under the provisions of Section 81-14-155
1236 fails to disclose the complete financial condition of a savings
1237 bank, he may in order to ascertain its complete financial
1238 condition:

1239 (a) Make an extended audit or examination of the
1240 savings bank, or cause such an audit or examination to be made by
1241 an independent auditor;

1242 (b) Make an extended revaluation of any of the assets
1243 or liabilities of the savings bank, or cause an independent
1244 appraiser to make such revaluation.

1245 (2) The commissioner shall collect from the savings bank a
1246 reasonable sum for actual or necessary expenses of such an audit,
1247 examination or revaluation.

1248 SECTION 46. Section 81-14-161, Mississippi Code of 1972, is
1249 reenacted as follows:

1250 81-14-161. (1) The commissioner and his agents:

1251 (a) Shall have free access to all books and records of
1252 a savings bank, or a service corporation or holding company
1253 thereof, that relate to its business, and the books and records
1254 kept by any officer, agent or employee relating to the business of
1255 the savings bank;

1256 (b) May subpoena witnesses and administer oaths or
1257 affirmations in the examination of any director, officer, agent or
1258 employee of a savings bank, or a service corporation or holding
1259 company thereof, or of any other person in relation to its
1260 affairs, transactions and conditions;

1261 (c) May require the production of records, books,
1262 papers, contracts and other documents; and

1263 (d) May order that improper entries be corrected on the
1264 books and records of a savings bank.

1265 (2) The commissioner may issue subpoenas duces tecum.

1266 (3) If a person fails to comply with a subpoena so issued by
1267 the commissioner, or a party or witness refuses to testify on any
1268 matters, a court of competent jurisdiction, on the application of
1269 the commissioner, shall compel compliance by proceedings for
1270 contempt as in the case of disobedience of the requirements of a
1271 subpoena issued from such court or a refusal to testify in such
1272 court.

1273 SECTION 47. Section 81-14-163, Mississippi Code of 1972, is
1274 reenacted as follows:

1275 81-14-163. (1) The commissioner may direct the making of
1276 test appraisals of real estate and other collateral securing loans
1277 made by savings banks doing business in this state, employ
1278 competent appraisers, or prescribe a list from which competent
1279 appraisers may be selected, for the making of such appraisals by
1280 the commissioner, or any and all other acts incident to the making
1281 of such test appraisals.

1282 (2) In lieu of such appraisals, the commissioner may accept
1283 an appraisal caused to be made by the insurer of accounts.

1284 (3) The expense and cost of test appraisals made pursuant to
1285 this section shall be defrayed by the savings bank subjected to
1286 such test appraisals. Each savings bank doing business in this
1287 state shall pay all reasonable costs and expenses of such test
1288 appraisals when directed.

1289 SECTION 48. Section 81-14-165, Mississippi Code of 1972, is
1290 reenacted as follows:

1291 81-14-165. (1) Except as provided by subsection (3) of this
1292 section, a savings bank, or any director, officer, employee or
1293 representative thereof, shall not grant, directly or indirectly,
1294 to the commissioner or to any employee of the department, or to
1295 their spouses, any loan or gratuity.

1296 (2) Neither the commissioner, nor any employee of the
1297 department, shall:

1298 (a) Hold an office or position in any state savings
1299 bank, or exercise any right to vote on any state savings bank
1300 matter by reason of being a member of the savings bank;

1301 (b) Be interested, directly or indirectly, in any
1302 savings bank organized under the laws of this state; or

1303 (c) Undertake any indebtedness as a borrower, directly
1304 or indirectly, or act as endorser, surety or guarantor, or sell,
1305 or otherwise dispose of, any loan or investment to any savings
1306 bank organized under the laws of this state.

1307 (3) Notwithstanding subsection (2) of this section, the
1308 commissioner, or any employee of the department, may be a deposit
1309 account holder, may receive earnings on such account and may
1310 receive a loan secured by the deposit account.

1311 (4) If the commissioner, or any employee of the department,
1312 has any prohibited right or interest in a savings bank, either
1313 directly or indirectly, at the time of his appointment, he shall
1314 dispose of it within sixty (60) days after the date of his
1315 appointment or employment. If the commissioner, or any employee
1316 of the department, is indebted as a borrower, directly or
1317 indirectly, or is an endorser, surety or guarantor on a note at
1318 the time of his appointment or employment, he may continue in such
1319 capacity until such loan is paid off.

1320 (5) If the commissioner, or any employee of the department,
1321 has a loan or other note acquired by a state savings bank through
1322 the secondary market, he may continue with the debt until such
1323 loan or note is paid off.

1324 SECTION 49. Section 81-14-167, Mississippi Code of 1972, is
1325 reenacted as follows:

1326 81-14-167. (1) The following records or information of the
1327 board, the commissioner, or the agent(s) of either, shall be
1328 confidential and shall not be disclosed:

1329 (a) Information obtained or compiled in preparation of,
1330 or anticipation of, or during an examination, audit or
1331 investigation of any institution;

1332 (b) Information reflecting the specific collateral
1333 given by a named borrower, the specific amount of stock owned by a
1334 named stockholder, or specific deposit accounts held by a named
1335 member or customer;

1336 (c) Information obtained, prepared or compiled during
1337 or as a result of an examination, audit or investigation of any
1338 savings bank by an agency of the United States, if the records
1339 would be confidential under federal law or regulation;

1340 (d) Information and reports submitted by savings banks
1341 to federal regulatory agencies, if the records or information
1342 would be confidential under federal law or regulation;

1343 (e) Information and records regarding complaints from
1344 the public received by the department which concern savings banks
1345 when the complaint could result in an investigation, except to the
1346 management of those savings banks;

1347 (f) Any other letters, reports, memoranda, recordings,
1348 charts or other documents or records which would disclose any
1349 information of which disclosure is prohibited in this subsection.

1350 (2) A court of competent jurisdiction may order the
1351 disclosure of specific information.

1352 (3) The information contained in an application shall be
1353 deemed to be public information. Disclosure shall not extend to
1354 the financial statement of the incorporators nor to any further
1355 information deemed by the commissioner to be confidential.

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

1362 employed by the department, any member of the board, or by any
1363 person with whom information is exchanged under the authority of
1364 this subsection.

1365 (5) Any official or employee violating this section shall be
1366 liable to any person injured by disclosure of such confidential
1367 information for all damages sustained thereby.

1368 SECTION 50. Section 81-14-169, Mississippi Code of 1972, is
1369 reenacted as follows:

1370 81-14-169. The commissioner shall call upon each state
1371 savings bank for the reports required in this section. Such calls
1372 shall be made by the commissioner in writing by letter or other
1373 similar means of written communications for the same dates and as
1374 often as calls are issued by the appropriate federal regulating
1375 authority for reports from federal savings banks. The
1376 commissioner shall prescribe the forms for such reports. The
1377 reports shall be sworn to by either the president, vice president
1378 or cashier of the savings bank making them, attested by not less
1379 than two (2) of the board of directors, and shall exhibit in
1380 detail, under appropriate heads, the total resources and total
1381 liabilities of the bank on the day specified by the commissioner.
1382 Savings banks shall transmit to the department such call reports
1383 within a time limitation established by regulation by the
1384 commissioner; however, such time limitation cannot exceed that set
1385 by the Federal Deposit Insurance Corporation for state insured
1386 savings banks. For any failure or delay in furnishing this
1387 report, the president, vice president or cashier of any such
1388 savings bank, so in default, and the members of the board of
1389 directors of the savings bank refusing to attest the report, shall
1390 be subject to an administrative fine, which may be imposed by the
1391 commissioner, of Fifty Dollars (\$50.00) a day for each day while
1392 in such default.

1393 SECTION 51. Section 81-14-171, Mississippi Code of 1972, is
1394 reenacted as follows:

1395 81-14-171. The commissioner shall require that every state
1396 savings bank have its affairs audited at least once a year. The
1397 commissioner shall review such audit within a reasonable time
1398 after its completion.

1399 SECTION 52. Section 81-14-173, Mississippi Code of 1972, is
1400 reenacted as follows:

1401 81-14-173. Any person who shall engage in any of the
1402 following acts shall be guilty of a misdemeanor and, upon
1403 conviction thereof, shall be fined or imprisoned, or both, in the
1404 discretion of the court:

1405 (a) Defamation: Making, publishing, disseminating or
1406 circulating any oral, written or printed statement regarding the
1407 financial condition of any savings bank which is false.

1408 (b) False information and advertising: Making,
1409 publishing, disseminating, circulation or otherwise placing before
1410 the public in any publication, media, notice, pamphlet, letter,
1411 poster, or any other way, an advertisement, announcement or
1412 statement containing any assertion representation, or statement
1413 with respect to the savings bank business or with respect to any
1414 person in the conduct of the savings bank business which is
1415 untrue, deceptive or misleading.

1416 SECTION 53. Section 81-14-175, Mississippi Code of 1972, is
1417 reenacted as follows:

1418 81-14-175. Unless otherwise provided in this chapter, any
1419 interested person aggrieved by any rule, regulation or order of
1420 the commissioner and/or the board, as applicable, shall have the
1421 right, regardless of the amount involved, to appeal to the Circuit
1422 Court of the First Judicial District of Hinds County. However, if
1423 the appellant is an applicant for a charter, the appeal shall be
1424 taken to the circuit court of the county in which the proposed
1425 institution is domiciled; or if the appellant is seeking to
1426 establish a branch office, the appeal shall be taken to the
1427 circuit court of the county in which the proposed branch is

1428 located. Such appeal shall be taken and perfected as hereinafter
1429 provided, within thirty (30) days from the date of such final
1430 rule, regulation or order. The circuit court may affirm such
1431 rule, regulation or order, or remand for further proceedings as
1432 justice may require. All such appeals shall be taken and
1433 perfected, heard either in termtime or in vacation, and shall be
1434 heard and disposed of promptly by the court as a preference cause.
1435 In perfecting any appeal provided by this section, the provisions
1436 of law respecting notice to the reporter and the allowance of
1437 bills of exception, now or hereafter in force, and those
1438 provisions respecting appeals from the circuit court to supreme
1439 court shall be applicable. However, the reporter shall transcribe
1440 his notes and file the transcript of the record with the
1441 commissioner or board within thirty (30) days after approval of
1442 the appeal bond. Upon the filing with the commissioner or board
1443 of a petition for appeal to the circuit court, it shall be the
1444 duty of the commissioner or board, within sixty (60) days after
1445 approval of the appeal bond to file with the clerk of the circuit
1446 court to which the appeal is taken a copy of the petition for
1447 appeal, the rule, regulation or order appealed from, and the
1448 original and one (1) copy of the transcript of the record of
1449 proceedings in evidence before the commissioner or board. After
1450 the filing of such petition, the appeal shall be perfected by
1451 filing of bond in the sum of Five Hundred Dollars (\$500.00) with
1452 two (2) sufficient sureties, or with a surety company qualified to
1453 do business in Mississippi as the surety, conditioned to pay the
1454 cost of such appeal. Such bond shall be approved by the
1455 commissioner or by the clerk of the court to which such appeal is
1456 taken. The perfection of an appeal shall not stay or suspend the
1457 operation of any rule, regulation or order of the commissioner or
1458 board, but the judge of such circuit court may award a writ of
1459 supersedeas to any rule, regulation or order of the commissioner
1460 or board after five (5) days' notice to the commissioner or board.

1461 Any order or judgment staying the operation of any rule,
1462 regulation or order of the commissioner or board shall contain a
1463 specific finding, based upon evidence submitted to the circuit
1464 judge and identified by reference thereto, that irreparable damage
1465 would result to the appellant if he is denied relief. Such stay
1466 shall not become effective until a supersedeas bond shall have
1467 been executed and filed with and approved by the clerk of the
1468 court payable to the state. The bond shall be in an amount fixed
1469 by the circuit judge and conditioned as said circuit judge may
1470 direct.

1471 SECTION 54. Section 81-14-177, Mississippi Code of 1972, is
1472 reenacted as follows:

1473 81-14-177. In all examinations no savings bank shall be
1474 allowed credit in excess of its sound value for a note or security
1475 of which the principal and interest is over twelve (12) months
1476 past due; nor for any bond in excess of the real value thereof;
1477 nor for any stock of its own held more than twelve (12) months;
1478 nor for any unsecured overdrafts that may have existed for a
1479 greater period than thirty (30) days next preceding it, except
1480 that the period shall be ninety (90) days for unsecured overdrafts
1481 upon which interest is being charged if the savings bank has a
1482 written policy authorizing such overdrafts for not more than
1483 ninety (90) days. Only such overdrafts shall be considered as
1484 secure as are advanced against products or actual existing values
1485 evidenced by warehouse receipts or bills of lading, against bills
1486 of exchange drawn in good faith against actual existing values, or
1487 against funds on deposit by the depositor whose account is
1488 overdrawn, and who has pledged those funds as security for such
1489 overdraft, and in making up the statement of the condition of such
1490 savings bank any such item shall be charged off (but if desired a
1491 note shall be appended giving details thereof). But the
1492 discretion of the commissioner or examiner may be exercised in
1493 cases of estates in litigation or administration, and in pending

1494 suits, if the security affected thereby is ample, in the opinion
1495 of the commissioner or examiner making such examination.

1496 SECTION 55. Section 81-14-179, Mississippi Code of 1972, is
1497 reenacted as follows:

1498 81-14-179. A copy of the call reports of any savings bank
1499 shall be furnished to any person or corporation requesting the
1500 same for a reasonable fee prescribed by the commissioner, which
1501 shall be collected by the commissioner and shall be paid into the
1502 department maintenance fund. If the commissioner fails or refuses
1503 to furnish copies of the report when so requested and tendered the
1504 proper fee; or if he fails to account for any such fees received
1505 by him; or if any person other than the commissioner, deputy
1506 commissioner, an examiner, or assistant furnishes any copy of such
1507 savings bank report to anyone, whether for a consideration or
1508 without consideration, such person shall be guilty of a
1509 misdemeanor and shall be fined not less than Fifty Dollars
1510 (\$50.00) or be imprisoned not more than one (1) month in the
1511 county jail, or both. However, this section shall not be
1512 construed to prevent any officer of the savings bank from
1513 furnishing to anyone a statement of such savings bank.

1514 SECTION 56. Section 81-14-201, Mississippi Code of 1972, is
1515 reenacted as follows:

1516 81-14-201. (1) If any person or savings bank is engaging
1517 in, or has engaged in, or is about to engage in, any unsafe or
1518 unsound practice, or unfair and discriminatory practice, in
1519 conducting the savings bank's business, or violation of any other
1520 law, rule, regulation, order or condition imposed in writing by
1521 the commissioner, the commissioner may issue a notice of charges
1522 to such person or institution. A notice of charges shall specify
1523 the acts alleged to sustain a cease and desist order, and state
1524 the time and place at which a hearing shall be held. A hearing
1525 before the commissioner on the charges shall be held no earlier
1526 than seven (7) days, and no later than fifteen (15) days, after

1527 issuance of the notice. The charged institution is entitled to a
1528 further extension of seven (7) days upon filing a request with the
1529 commissioner. The commissioner may also issue a notice of charges
1530 if he has reasonable grounds to believe that any person or savings
1531 bank is about to engage in any unsafe or unsound business
1532 practice, or any violation of this chapter, or any other law,
1533 rule, regulation or order. If, by a preponderance of the
1534 evidence, it is shown that any person or savings bank is engaged
1535 in, or has been engaged in, or is about to engage in, any unsafe
1536 or unsound business practice, or unfair and discriminatory
1537 practice or any violation of this chapter, or any other law, rule,
1538 regulation or order, a cease and desist order shall be issued
1539 which shall be permanently binding upon the person or institution
1540 until terminated by the commissioner.

1541 (2) If any person or state savings bank is engaging in, has
1542 engaged in, or is about to engage in any unsafe or unsound
1543 practice, or unfair and discriminatory practice, in conducting the
1544 savings bank's business, or any violation of the act or of any
1545 other law, rules, regulation, order or condition imposed in
1546 writing by the commissioner, and the commissioner has determined
1547 that immediate corrective action is required, the commissioner may
1548 issue a temporary cease and desist order without prior notice. A
1549 temporary cease and desist order shall be effective immediately
1550 upon issuance for a period of fifteen (15) days, and may be
1551 extended once for a period of fifteen (15) days. Such an order
1552 shall state its duration on its face and the words "Temporary
1553 Cease and Desist Order." A hearing before the commissioner shall
1554 be held within the time that the order remains effective, at which
1555 time a temporary order may be dissolved or made permanent.

1556 SECTION 57. Section 81-14-203, Mississippi Code of 1972, is
1557 reenacted as follows:

1558 81-14-203. (1) Except as otherwise provided in this
1559 article, any savings bank which is found to have violated any

1560 provision of this article may be ordered to pay a civil penalty
1561 not to exceed Twenty Thousand Dollars (\$20,000.00). Any savings
1562 bank which is found to have violated or failed to comply with any
1563 cease and desist order issued under the authority of this article
1564 may be ordered to pay a civil penalty not to exceed Twenty
1565 Thousand Dollars (\$20,000.00) for each day that the violation or
1566 failure to comply continues.

1567 (2) To enforce the provisions of this section, the
1568 commissioner is authorized to assess such penalty and to appear in
1569 a court of competent jurisdiction and to move the court to order
1570 payment of the penalty. Prior to the assessment of the penalty, a
1571 hearing shall be held by the commissioner.

1572 (3) Nothing in this section shall prevent anyone damaged by
1573 a state savings bank from bringing a separate cause of action in a
1574 court of competent jurisdiction.

1575 SECTION 58. Section 81-14-205, Mississippi Code of 1972, is
1576 reenacted as follows:

1577 81-14-205. (1) Any person, whether a director, officer or
1578 employee, who is found to have violated any provision of this
1579 article, whether willfully, or as a result of gross negligence,
1580 gross incompetency or recklessness, may be ordered to pay a civil
1581 penalty not to exceed Five Thousand Dollars (\$5,000.00) per
1582 violation. Any person who is found to have violated or failed to
1583 comply with any cease and desist order issued under the authority
1584 of this article may be ordered to pay a civil penalty not to
1585 exceed Five Thousand Dollars (\$5,000.00) per violation for each
1586 day that the violation or failure to comply continues.

1587 (2) To enforce the provisions of this section, the
1588 commissioner is authorized to assess such penalty, to appear in a
1589 court of competent jurisdiction and to move the court to order
1590 payment of the penalty. Prior to the assessment of the penalty, a
1591 hearing shall be held by the commissioner.

1592 (3) Nothing in this section shall prevent anyone damaged by
1593 a director, officer or employee of a state savings bank from
1594 bringing a separate cause of action in a court of competent
1595 jurisdiction.

1596 SECTION 59. Section 81-14-207, Mississippi Code of 1972, is
1597 reenacted as follows:

1598 81-14-207. (1) Whenever the commissioner determines that a
1599 solvent savings bank is conducting its business in an unsafe or
1600 unsound manner, or in any fashion which threatens the financial
1601 integrity or sound operation of the savings bank, the commissioner
1602 may serve a notice of charges on the savings bank, requiring it to
1603 show why it should not be placed under supervisory control. Such
1604 notice of charges shall specify the grounds for supervisory
1605 control, and set the time and place for a hearing. A hearing
1606 before the commissioner pursuant to such notice shall be held
1607 within fifteen (15) days after issuance of the notice of charges.

1608 (2) If, after the hearing provided above, the commissioner
1609 determines that supervisory control of the savings bank is
1610 necessary to protect the savings bank's members, customers,
1611 stockholders or creditors, or the general public, the commissioner
1612 shall issue an order taking supervisory control of the savings
1613 bank.

1614 (3) If the order taking supervisory control becomes final,
1615 the commissioner may appoint an agent to supervise and monitor the
1616 operations of the savings bank during the period of supervisory
1617 control. During the period of supervisory control, the savings
1618 bank shall act in accordance with such instructions as may be
1619 given by the commissioner, directly or through his supervisory
1620 agent, and shall not fail to act, except when to do so would
1621 violate an outstanding cease and desist order.

1622 (4) Within one hundred eighty (180) days of the date the
1623 order taking supervisory control becomes final, the commissioner

1624 shall issue an order approving a plan for the termination of
1625 supervisory control. The plan may provide for:

1626 (a) The issuance by the savings bank of capital stock;

1627 (b) The appointment of one or more officers and/or
1628 directors;

1629 (c) The reorganization, merger or consolidation of the
1630 savings bank;

1631 (d) The dissolution and liquidation of the savings
1632 bank;

1633 (e) Other such measures as determined by the
1634 commissioner.

1635 The order approving the plan shall not take effect until
1636 thirty (30) days after issuance during which time period an appeal
1637 may be filed in accordance with the provisions of Section
1638 81-14-175.

1639 (5) All costs of this proceeding shall be paid by the
1640 savings bank.

1641 (6) For the purpose of this section, an order shall be
1642 deemed final if:

1643 (a) No appeal is filed within the specific time allowed
1644 for the appeal; or

1645 (b) All judicial appeals are exhausted.

1646 (7) If a savings bank is insolvent, the provisions of
1647 Section 81-14-211 shall apply.

1648 SECTION 60. Section 81-14-209, Mississippi Code of 1972, is
1649 reenacted as follows:

1650 81-14-209. (1) If, in the commissioner's opinion, any
1651 director, officer or employee of any savings bank has participated
1652 in, or consented to, any violation of this chapter, or any other
1653 law, rule, regulation or order, or any unsafe or unsound business
1654 practice in the operation of any savings bank, or any insider loan
1655 not specifically authorized by or pursuant to this chapter, or any
1656 repeated violation of, or failure to comply with, any savings

1657 bank's bylaws, the commissioner may serve a written notice of
1658 charges upon such director, officer or employee and the savings
1659 bank, stating his intent to remove such director, officer or
1660 employee. Such notice shall specify the alleged conduct of such
1661 director, officer or employee and shall state the place for a
1662 hearing before the commissioner. A hearing shall be held no
1663 earlier than fifteen (15) days, but no later than thirty (30)
1664 days, after the notice of charges is served. If, after the
1665 hearing, the commissioner determines that the charges asserted
1666 have been proven by a preponderance of the evidence, the
1667 commissioner may issue an order removing the director, officer or
1668 employee in question. Such an order shall be effective upon
1669 issuance and may include the entire board of directors or all of
1670 the officers of the savings bank.

1671 (2) If it is determined that any director, officer or
1672 employee of any savings bank has knowingly participated in, or
1673 consented to, any violation of this chapter, or any other law,
1674 rule, regulation or order, or engaged in any unsafe or unsound
1675 business practice in the operation of any savings bank, or any
1676 repeated violation of, or failure to comply with, any savings
1677 bank's bylaws, and that as a result, a situation exists requiring
1678 immediate corrective action, the commissioner may issue an order
1679 temporarily removing such person or persons pending a hearing.
1680 Such an order shall state its duration on its face and the words
1681 "Temporary Order of Removal" and shall be effective upon issuance
1682 for a period of fifteen (15) days. Such order may be extended
1683 once for a period of fifteen (15) days. A hearing must be held
1684 within ten (10) days of the expiration of a temporary order, or
1685 any extension thereof, at which time a temporary order may be
1686 dissolved or converted to a permanent order.

1687 (3) Any removal pursuant to subsection (1) or (2) of this
1688 section shall be effective in all respects as if such removal has

1689 been made by the board of directors and the members or
1690 stockholders of the savings bank in question.

1691 (4) Without the prior written approval of the commissioner,
1692 no director, officer or employee permanently removed pursuant to
1693 this section shall be eligible to be elected, reelected or
1694 appointed to any position as a director, officer or employee of
1695 that savings bank, nor shall such director, officer or employee be
1696 eligible to be elected to or retain a position as a director,
1697 officer or employee of any other state savings bank.

1698 SECTION 61. Section 81-14-211, Mississippi Code of 1972, is
1699 reenacted as follows:

1700 81-14-211. (1) The commissioner may take custody of the
1701 books, records and assets of every kind of any savings bank
1702 organized and operated under the provisions of this chapter for
1703 any of the purposes hereinafter enumerated if it reasonably
1704 appears from examinations or from reports made to the commissioner
1705 that:

1706 (a) The directors, officers or liquidators have
1707 neglected, failed or refused to take such action which the
1708 commissioner may deem necessary for the protection of the savings
1709 bank, or have impeded or obstructed an examination; or

1710 (b) The net worth of the savings bank is impaired to
1711 the extent that the realizable value of its assets is insufficient
1712 to pay in full its creditors and holders of deposit accounts; or

1713 (c) The business of the savings bank is being conducted
1714 in a fraudulent, illegal or unsafe manner, or that the savings
1715 bank is in an unsafe or unsound condition to transact business;
1716 (any savings bank which, except as authorized in writing by the
1717 commissioner, fails to make full payment of any withdrawal when
1718 due is in an unsafe or unsound condition to transact business,
1719 notwithstanding such provisions of the certificate of
1720 incorporation or such statutes or regulations with respect to

1721 payment of withdrawals in event a savings bank does not pay all
1722 withdrawals in full); or

1723 (d) The officers, directors or employees have assumed
1724 duties or performed acts in excess of those authorized by statute
1725 or regulation or charter, or without supplying the required bond;
1726 or

1727 (e) The savings bank has experienced a substantial
1728 dissipation of assets or earnings due to any violation of statute
1729 or regulation, or due to any unsafe or unsound practice or
1730 practices; or

1731 (f) The savings bank is insolvent, or is in imminent
1732 danger of insolvency, or has suspended its ordinary business
1733 transactions due to insufficient funds; or

1734 (g) The savings bank is unable to continue operations.

1735 (2) Unless the commissioner finds that such an emergency
1736 exists which may result in loss to members, deposit account
1737 holders, stockholders or creditors, and which requires that he
1738 take custody immediately, the commissioner shall first give
1739 written notice to the directors and officers specifying the
1740 conditions criticized and allowing a reasonable time for
1741 corrections before a receiver shall be appointed.

1742 (3) The purpose for which the commissioner may take custody
1743 of a savings bank include, but are not limited to, examination or
1744 further examination, conservation of its assets, restoration of
1745 impaired capital, and the making of any reasonable or equitable
1746 adjustment deemed necessary by the commissioner under any plan of
1747 reorganization.

1748 (4) If the commissioner, after taking custody of a savings
1749 bank, finds that one or more of the reasons for having taken
1750 custody continues to exist through the period of his custody with
1751 little or no likelihood of amelioration of the situation, then he
1752 shall appoint as receiver or co-receiver any qualified person,
1753 firm or corporation for the purpose of liquidation of the savings

1754 bank. Such receiver shall furnish bond in form, amount and with
1755 surety as the commissioner may require. The commissioner may
1756 appoint the institution's deposit account insurance corporation or
1757 its nominee as the receiver. Such insuring corporation shall be
1758 permitted to serve without posting bond.

1759 (5) In the event the commissioner appoints a receiver for a
1760 savings bank, he shall mail a certified copy of the appointment
1761 order by certified mail to the address of the savings bank, as it
1762 appears on the records of the department, to any previous receiver
1763 or other legal custodian of the savings bank and to any court or
1764 other authority to which such previous receiver or other legal
1765 custodian is subject. Notice of such appointment may be published
1766 in a newspaper of general circulation in the county where the
1767 savings bank has its principal office.

1768 (6) Whenever a receiver for a savings bank is appointed
1769 pursuant to subsection (4), the savings bank may within thirty
1770 (30) days thereafter bring an action in the chancery court in the
1771 county in which the home office of the institution is located for
1772 an order to remove such receiver.

1773 (7) The duly appointed and qualified receiver shall take
1774 possession promptly of such savings bank in accordance with the
1775 terms of the appointment by service of a certified copy of the
1776 commissioner's appointment order upon the savings bank at its
1777 principal office through the officer or employee who is present
1778 and appears to be in charge. Immediately upon taking possession
1779 of the savings bank, the receiver shall take possession and title
1780 of books, records and assets of the savings bank. The receiver,
1781 by operation of law and without any conveyance or other
1782 instrument, act or deed, shall succeed to all the rights, titles,
1783 powers and privileges of the savings bank, its members or
1784 stockholders, holders of deposit accounts, its officers and
1785 directors, and to the titles of the books, records and assets of
1786 any previous receiver or other legal custodian of the savings

1787 bank. Such members, stockholders, holders of deposit accounts,
1788 officers or directors shall not thereafter, except as hereinafter
1789 expressly provided, exercise any such rights, powers or
1790 privileges, or act in connection with any assets or property of
1791 any nature of the savings bank in receivership. The commissioner
1792 may at any time direct the receiver to return the savings bank to
1793 its previous or newly constituted management. The commissioner
1794 may provide for a meeting of the members or stockholders for any
1795 purpose, including the election of directors or an increase in the
1796 number of directors, or both, or the election of an entire new
1797 board of directors for any purpose, including the filling of
1798 vacancies on the board, the removal of officers and the election
1799 of new officers. Any such meeting of members or stockholders, or
1800 of directors, shall be supervised or conducted by a representative
1801 of the commission.

1802 (8) A duly appointed and qualified receiver shall have
1803 authority to:

1804 (a) Demand, sue for, collect, receive and take into his
1805 possession all the goods and chattels, rights and credits, monies
1806 and effects, lands and tenements, books, papers, choses in action,
1807 bills, notes and property of every description of the savings
1808 bank;

1809 (b) Foreclose mortgages, deeds of trust and other liens
1810 executed to the savings bank to the extent the savings bank would
1811 have had such right;

1812 (c) Institute suits for the recovery of any estate,
1813 property, damages or demands existing in favor of the savings
1814 bank, and shall, upon his own application, be substituted as
1815 plaintiff in the place of the savings bank in any suit or
1816 proceeding pending at the time of his appointment;

1817 (d) Sell, convey and assign all the property rights and
1818 interest owned by the savings bank;

1819 (e) Appoint agents to serve at his pleasure;

1820 (f) Examine and investigate papers and persons, and
1821 pass on claims as provided in the regulations prescribed by the
1822 commissioner;

1823 (g) Make and carry out agreements with the insuring
1824 corporation or with any other financial institution for the
1825 payment or assumption of the savings bank's liabilities, in whole
1826 or in part, and to sell, convey, transfer, pledge or assign assets
1827 as security or otherwise and to make guarantees in connection
1828 therewith; and

1829 (h) Perform all other acts which might be done by the
1830 employees, officers and directors; such powers shall be continued
1831 in effect until liquidation and dissolution, or until return of
1832 the savings bank to its prior or newly constituted management.

1833 (9) A receiver may at any time during the receivership and
1834 prior to final liquidation be removed and a replacement appointed
1835 by the commissioner.

1836 (10) The commissioner may determine that such liquidation
1837 proceedings should be discontinued. He may then remove the
1838 receiver and restore or grant all the rights, powers and
1839 privileges of its members and stockholders, customers, employees,
1840 officers and directors, or newly constituted management. The
1841 return of a savings bank to its management or to a newly
1842 constituted management from the possession of a receiver shall, by
1843 operation of law and without any conveyance or other instrument,
1844 act or deed, vest in the savings bank the title to all property
1845 held by the receiver in his capacity as a receiver for the savings
1846 bank.

1847 (11) Claims against a state savings bank in receivership
1848 shall have the following order of priority for payment:

1849 (a) Costs, expenses and debts of the savings bank
1850 incurred on or after the date of the appointment of the receiver,
1851 including compensation for the receiver;

1852 (b) Claims of holders of deposit accounts;

1853 (c) Claims of general creditors;
1854 (d) Claims of stockholders of a stock savings bank;
1855 (e) All remaining assets to members and stockholders in
1856 an amount proportionate to their holdings as of the date of the
1857 appointment of the receiver.

1858 (12) All claims of each class of priority described in
1859 subsection (11) shall be paid in full so long as sufficient assets
1860 remain. Members of the class for which the receiver cannot make
1861 payment in full because assets will be depleted shall be paid an
1862 amount proportionate to their total claims.

1863 (13) The commissioner shall have the authority to direct the
1864 payment of claims for which no provision is herein made, and may
1865 direct the payment of claims within a class. The commissioner
1866 shall have the authority to promulgate rules and regulations
1867 governing the payment of claims by an institution in receivership.

1868 (14) When all assets of the savings bank have been fully
1869 liquidated, all claims and expenses have been paid or settled and
1870 the receiver has recommended a final distribution, the dissolution
1871 of the savings bank in receivership shall be accomplished in the
1872 following manner:

1873 (a) The receiver shall file with the commissioner a
1874 detailed report, in a form to be prescribed by the commissioner,
1875 of his acts and proposed final distribution and dissolution.

1876 (b) Upon the commissioner's approval of the final
1877 report of the receiver, the receiver shall provide such notice,
1878 and thereafter shall make such final distribution, in such manner
1879 as the commissioner may direct.

1880 (c) When a final distribution has been made, except as
1881 to any unclaimed funds, the receiver shall deposit such unclaimed
1882 funds with the commissioner and shall deliver to the commissioner
1883 all books and records of the dissolved institution.

1884 (d) Upon final dissolution of the savings bank in
1885 receivership or at such time the receiver is relieved of his

1886 duties, the commissioner shall cause an audit to be conducted,
1887 during which the receiver shall be available to assist. The
1888 accounts of the receiver shall then be ruled upon by the
1889 commissioner and, if approved, the receiver shall thereupon be
1890 given a final and complete discharge and release.

1891 SECTION 62. Section 81-14-213, Mississippi Code of 1972, is
1892 reenacted as follows:

1893 81-14-213. Any person or state savings bank against whom a
1894 cease and desist order is issued or a fine is imposed may have
1895 such order or fine reviewed by a court of competent jurisdiction.
1896 Except as otherwise provided, an appeal may be made only within
1897 thirty (30) days of the issuance of the order or the imposition of
1898 the fine, whichever is later.

1899 SECTION 63. Section 81-14-215, Mississippi Code of 1972, is
1900 reenacted as follows:

1901 81-14-215. No person who is fined or penalized for a
1902 violation of any criminal provision of this article shall be
1903 reimbursed or indemnified in any fashion by the savings bank for
1904 such fine or penalty.

1905 SECTION 64. Section 81-14-217, Mississippi Code of 1972, is
1906 reenacted as follows:

1907 81-14-217. All penalties, fines and remedies provided by
1908 this article shall be cumulative.

1909 SECTION 65. Section 81-14-219, Mississippi Code of 1972, is
1910 reenacted as follows:

1911 81-14-219. The commissioner, with the approval of the
1912 Governor, may impose a limitation upon the amounts withdrawable or
1913 payable from deposit accounts of savings banks during any
1914 specifically defined period when such limitation is in the public
1915 interest and welfare.

1916 SECTION 66. Section 81-14-251, Mississippi Code of 1972, is
1917 reenacted as follows:

1918 81-14-251. The membership of a mutual state savings bank
1919 shall consist of:

1920 (a) Any person who holds deposit accounts in a savings
1921 bank; or

1922 (b) Any person who borrows funds and becomes obligated
1923 on a loan from the savings bank, for such time as the loan remains
1924 unpaid, or the borrower remains liable to the savings bank for the
1925 payment thereof.

1926 Any person in his own right, or in a trust or other fiduciary
1927 capacity, or any partnership, association, corporation, political
1928 subdivision or public or government unit or entity may become a
1929 member of a mutual savings bank. Members shall possess such
1930 voting rights and other rights as provided by a savings bank's
1931 certificate of incorporation and bylaws. Such members shall be
1932 considered the owners of a mutual savings bank.

1933 SECTION 67. Section 81-14-253, Mississippi Code of 1972, is
1934 reenacted as follows:

1935 81-14-253. (1) The directors of a mutual savings bank shall
1936 be elected by the members at an annual meeting, held pursuant to
1937 the terms of Section 81-14-261, for such terms as the bylaws of
1938 the savings bank may provide. Director's terms may be specified
1939 in the certificate of incorporation. Voting for directors by
1940 deposit account holders shall be weighted according to the total
1941 amount of deposit accounts held by such members, subject to any
1942 maximum number of votes per member which a savings bank may choose
1943 to prescribe in its bylaws. Voting rights for borrowers shall be
1944 as prescribed in the bylaws. Such requirements shall be fully
1945 prescribed in a detailed manner in the bylaws of the savings bank.

1946 (2) Each director of a state savings bank shall, in his own
1947 name, own capital stock in, or have a deposit relationship with
1948 the state savings bank on an unencumbered basis as follows:

1949 (a) For stock savings banks under Fifty Million Dollars
1950 (\$50,000,000.00) in assets, stock ownership in the institution or

1951 its holding company of Two Thousand Five Hundred Dollars
1952 (\$2,500.00) in market value at time of purchase; or

1953 (b) For mutual savings banks under Fifty Million
1954 Dollars (\$50,000,000.00) in assets, a Two Thousand Five Hundred
1955 Dollar (\$2,500.00) deposit relationship; or

1956 (c) For stock savings banks over Fifty Million Dollars
1957 (\$50,000,000.00) in assets, stock ownership in the institution or
1958 its holding company of Five Thousand Dollars (\$5,000.00) in market
1959 value at the time of purchase; or

1960 (d) For mutual savings banks over Fifty Million Dollars
1961 (\$50,000,000.00) in assets, a Five Thousand Dollar (\$5,000.00)
1962 deposit relationship. For savings banks that cross the Fifty
1963 Million Dollar (\$50,000,000.00) threshold, the commissioner shall
1964 allow a reasonable period for the directors to comply with the
1965 ownership interest requirement.

1966 (3) Every state savings bank shall have no less than five
1967 (5) directors, two-thirds (2/3) of which shall be residents of
1968 this state. In addition, not more than two (2) of the directors
1969 may be members of the same immediate family, nor may there be more
1970 than one (1) director who is an attorney with a particular law
1971 firm.

1972 (4) A majority of the directors must not be salaried
1973 officers or employees of the savings bank or of any subsidiary or,
1974 except in the case of a savings bank having eighty percent (80%)
1975 or more of any class of voting shares owned by a holding company,
1976 any holding company affiliate thereof.

1977 SECTION 68. Section 81-14-255, Mississippi Code of 1972, is
1978 reenacted as follows:

1979 81-14-255. (1) Directors and officers possess a fiduciary
1980 relationship with the savings bank which they serve, and shall not
1981 engage or participate, directly or indirectly, in any business or
1982 transaction conducted on behalf of or involving such savings bank,
1983 unless: (a) the business or transactions are conducted in good

1984 faith and are honest, fair and reasonable to the savings bank; (b)
1985 a full disclosure of the business or transaction and the nature of
1986 the director's or officer's interest is made to the board of
1987 directors; and (c) the business or transaction is approved in good
1988 faith by the board of directors with any interested director
1989 abstaining. The approval of the transaction shall be recorded in
1990 the minutes. Any profits inuring to the officer or director shall
1991 not be at the expense of the savings bank. The business or
1992 transaction shall not represent a breach of the officer's or
1993 director's fiduciary duty and shall not be fraudulent or illegal.
1994 Notwithstanding any other provisions of this section, the
1995 commissioner may require the disclosure by directors, officers and
1996 employees of their personal interest, directly or indirectly, in
1997 any business or transaction on behalf of or involving the savings
1998 bank and of their control of, or active participation in,
1999 enterprises having activities related to the business of the
2000 savings bank.

2001 (2) The following restrictions governing the conduct of
2002 directors and officers are specified, but that specification does
2003 not excuse those persons from the observance of any other aspect
2004 of the general fiduciary duty owed by them to the savings bank
2005 which they serve:

2006 (a) An officer or director of a mutual savings bank
2007 shall not hold office or status as a director or officer of
2008 another mutual savings bank subject to this chapter.

2009 (b) A director shall receive as remuneration only
2010 reasonable fees for services as a director or as a member of a
2011 committee of directors. A director who is also an officer or
2012 employee of the savings bank may receive compensation for service
2013 as an officer or employee.

2014 (c) A director or officer shall not have any interest,
2015 direct or indirect, in the purchase at less than its face value of

2016 any evidence of a savings account deposit or other indebtedness
2017 issued by the savings bank.

2018 (d) A savings bank, or director or officer thereof,
2019 shall not directly or indirectly require, as a condition to the
2020 granting of any loans or the extension of any other service by the
2021 savings bank or its affiliates, that the borrower or any other
2022 person undertake a contract of insurance or any other agreement or
2023 understanding with respect to the direct or indirect furnishing of
2024 any other goods or services with any specific company, agency or
2025 individual.

2026 (e) An officer or director acting as proxy for a member
2027 of a mutual savings bank shall not exercise, transfer or delegate
2028 that right in any consideration of a private benefit or advantage,
2029 direct or indirect, nor surrender control or pass his office to
2030 any other for any consideration of a private benefit or advantage,
2031 direct or indirect. The voting rights of members shall not be the
2032 subject of sale or similar transaction, either directly or
2033 indirectly. Any officer or director who violates the provisions
2034 of this paragraph shall be held accountable to the savings bank
2035 for an increment.

2036 (f) A director or officer shall not solicit, accept or
2037 agree to accept, directly or indirectly, from any person other
2038 than the savings bank any gratuity, compensation or other personal
2039 benefit for any action taken by the savings bank or for
2040 endeavoring to procure any action by the savings bank.

2041 (g) Subject to the approval of the commissioner, a
2042 savings bank's bylaws may provide for reasonable indemnification
2043 to its officers, directors and employees in connection with the
2044 faithful performance of their duties for the savings bank. The
2045 commissioner may promulgate model indemnification provisions and
2046 may consider provisions available under applicable state and
2047 federal statutes.

2048 SECTION 69. Section 81-14-257, Mississippi Code of 1972, is
2049 reenacted as follows:

2050 81-14-257. Any amendments to the charter of incorporation or
2051 bylaws of a savings bank shall be certified by the appropriate
2052 corporation official and submitted to the commissioner for his
2053 approval before they may become effective.

2054 SECTION 70. Section 81-14-259, Mississippi Code of 1972, is
2055 reenacted as follows:

2056 81-14-259. Voting rights in the affairs of a state savings
2057 bank may be exercised by members and stockholders by voting either
2058 in person or by proxy. The commissioner shall promulgate rules
2059 and regulations governing forms of proxies, holders of proxies and
2060 proxy solicitation.

2061 SECTION 71. Section 81-14-261, Mississippi Code of 1972, is
2062 reenacted as follows:

2063 81-14-261. (1) Each savings bank shall hold an annual
2064 meeting of its members or stockholders. The annual meeting shall
2065 be held at a time and place as provided in the bylaws or
2066 determined by the board of directors.

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

2081 prescribed in rules and regulations issued by the commissioner.
2082 Such additional notice shall be given at any time within the
2083 period of sixty (60) days prior to and fourteen (14) days prior to
2084 the meeting and shall continue through the time of the meeting.

2085 (3) The board of directors of a stock savings bank shall
2086 cause a written or printed notice signed by the savings bank's
2087 secretary, and stating the time and place of the annual meeting to
2088 be delivered not less than ten (10) days nor more than fifty (50)
2089 days before the date of the meeting, either personally or by mail
2090 to each stockholder of record entitled to vote at the meeting. If
2091 mailed, such notice shall be deemed to be delivered when deposited
2092 in the United States Postal Service addressed to the stockholder
2093 at his address as it appears on the records of the corporation,
2094 with postage thereon prepaid.

2095 SECTION 72. Section 81-14-263, Mississippi Code of 1972, is
2096 reenacted as follows:

2097 81-14-263. Special meetings of members or stockholders of a
2098 savings bank may be called by the president or the board of
2099 directors or by such other officers or persons as provided in the
2100 charter or bylaws of the savings bank. Notice of any special
2101 meeting of members or stockholders shall be given in the same
2102 manner as provided for annual meetings under Section 81-14-261.

2103 SECTION 73. Section 81-14-265, Mississippi Code of 1972, is
2104 reenacted as follows:

2105 81-14-265. Unless otherwise provided in the savings bank's
2106 charter or bylaws, fifty (50) holders of deposit accounts in a
2107 mutual savings bank, or fifty (50) stockholders or a majority of
2108 shares eligible to vote in a stock savings bank, present in person
2109 or represented by proxy, shall constitute a quorum at any annual
2110 or special meeting.

2111 SECTION 74. Section 81-14-267, Mississippi Code of 1972, is
2112 reenacted as follows:

2113 81-14-267. (1) A savings bank shall maintain a blanket
2114 indemnity bond of at least a minimum amount as prescribed by the
2115 commissioner.

2116 (2) A savings bank which employs collection agents, who for
2117 any reason are not covered by the bond as herein required, shall
2118 provide for the bonding of each agent in an amount equal to at
2119 least twice the average monthly collections of such agent. Such
2120 agents shall be required to make settlement with the institution
2121 at least once monthly. No such coverage by bond will be required
2122 of any agent which is an institution insured by the Federal
2123 Deposit Insurance Corporation. The amount and form of such bonds
2124 and the sufficiency of the surety thereon shall be approved by the
2125 board of directors and the commissioner before such bonds are
2126 valid. All such bonds shall provide that a cancellation thereof,
2127 either by the surety or by the insured, shall not become effective
2128 until thirty (30) days' notice in writing has been given to the
2129 commissioner.

2130 SECTION 75. Section 81-14-301, Mississippi Code of 1972, is
2131 reenacted as follows:

2132 81-14-301. Subject to the regulations of the commissioner, a
2133 savings bank may loan funds as follows:

2134 (a) On the security of deposit accounts, but no such
2135 loan shall exceed the withdrawal value of the pledged account.

2136 (b) On the security of real estate:

2137 (i) Of a value, determined in accordance with
2138 regulations adopted by the commissioner, sufficient to provide
2139 good and ample security for the loan;

2140 (ii) With a fee simple title or a leasehold title
2141 having a duration of not less than ten (10) years beyond the
2142 maturity of the loan;

2143 (iii) With the title established by evidence of
2144 title as is consistent with sound lending practices in the
2145 locality;

2146 (iv) With the security interest in real estate
2147 evidenced by an appropriate written instrument and the loan
2148 evidenced by a note, bond or similar written instrument; a loan on
2149 the security of the whole of the beneficial interest in a land
2150 trust satisfies the requirements of this section if the title to
2151 the land is held by a corporate trustee and if the real estate
2152 held in the land trust meets the other requirements of this
2153 section.

2154 (c) For the purpose of repair, improvement,
2155 rehabilitation, furnishing or equipment of real estate.

2156 (d) Through the participation of loans that are of a
2157 type that the savings bank would be authorized to make in
2158 accordance with this section and its bylaws. Subject to
2159 regulations by the commissioner, participants shall be limited to
2160 federally insured financial institutions and their subsidiaries,
2161 and instruments of, or corporations owned wholly or in part by,
2162 the United States or this state.

2163 (e) Through the purchase of loans, wholly or in part,
2164 that at the time of purchase, the savings bank could make in
2165 accordance with this section and its bylaws.

2166 (f) Through the purchase of installment contracts for
2167 the sale of real estate and title thereto that is subject to the
2168 contracts, but in each instance only if the savings bank, at the
2169 time of purchase, could make a mortgage loan of the same amount
2170 for the same length of time on the security of real estate.

2171 (g) Through loans guaranteed or insured, wholly or in
2172 part, by the United States or any of its instrumentalities.

2173 (h) Subject to regulations adopted by the commissioner,
2174 through secured or unsecured loans for business, corporate,
2175 commercial or agricultural purposes; provided that the total of
2176 all loans granted under this paragraph shall not exceed fifteen
2177 percent (15%) of the savings bank's total assets.

2178 (i) For the purpose of mobile home financing subject,
2179 however, to the regulation of the commissioner.

2180 (j) Through loans secured by the cash surrender value
2181 of any life insurance policy or any collateral that would be a
2182 legal investment under the terms of this chapter if made by a
2183 savings bank.

2184 (k) Any provisions of this chapter to the contrary,
2185 notwithstanding and subject to the commissioner's regulations, any
2186 savings bank may make any loans or investment or engage in any
2187 activity that it could make or engage in if it were organized
2188 under state law as a savings and loan association or under federal
2189 law as a federal savings and loan association or federal savings
2190 bank.

2191 (l) A savings bank may issue letters of credit or other
2192 similar arrangements only as provided by regulation of the
2193 commissioner with regard to aggregate amounts permitted, take out
2194 commitments for standby letters of credit, underlying
2195 documentation and underwriting, legal limitations on loans of the
2196 savings bank, control and subsidiary records, and other procedures
2197 deemed necessary by the commissioner.

2198 (m) For the purpose of secured and unsecured financing
2199 of personal and family credits, subject to the regulations of the
2200 commissioner.

2201 (n) For the purpose of financing primary, secondary,
2202 undergraduate or postgraduate education.

2203 (o) Through revolving lines of credit on the security
2204 of a first or junior lien on the borrower's personal residence,
2205 based primarily on the borrower's equity, the proceeds of which
2206 may be used for any purpose.

2207 (p) As secured or unsecured credit to cover the payment
2208 of checks, drafts or other funds transfer orders in excess of the
2209 available balance of an account on which they are drawn, subject
2210 to the regulations of the commissioner.

2211 SECTION 76. Section 81-14-303, Mississippi Code of 1972, is
2212 reenacted as follows:

2213 81-14-303. If the board of directors determines at any time
2214 that funds are available in excess of the demands and needs for
2215 loans, maturities and withdrawals, a savings bank may invest funds
2216 as provided in this section:

2217 (a) In demand, time or savings deposits or accounts,
2218 withdrawable accounts, or other insured obligations of any
2219 financial institution, the accounts of which are insured by a
2220 federal agency.

2221 (b) In obligations of, or obligations that are fully
2222 guaranteed by the United States, and in stocks or obligations of
2223 any Federal Reserve Bank, Federal Home Loan Bank, the Student Loan
2224 Market Association, the Government National Mortgage Association,
2225 the Federal Home Loan Mortgage Corporation, the Federal Deposit
2226 Insurance Corporation, or any other agency of the United States.

2227 (c) In bonds or other direct obligations of, or
2228 guaranteed as to principal and interest by, this state.

2229 (d) In bonds or other evidences of indebtedness that
2230 are direct general obligations of any unit of local government of
2231 this state, or other evidences of indebtedness that are payable
2232 from revenues or earnings specifically pledged therefor of a unit
2233 of local government, but in no event shall the total amount of the
2234 securities of any one (1) maker or obligor exceed fifteen percent
2235 (15%) of the savings bank's total capital, nor shall the aggregate
2236 amount of investments under this paragraph exceed fifteen percent
2237 (15%) of the savings bank's total assets.

2238 (e) In real estate for the following purposes:

2239 (i) A savings bank may invest in real property and
2240 equipment and in leasehold improvements to rented facilities
2241 necessary for the conduct of its business and in real property to
2242 be held for its future use. A savings bank may invest in an
2243 office building or buildings and appurtenances for the purpose of

2244 the transaction of the savings bank's business. No such
2245 investment may be made without the prior written approval of the
2246 commissioner if the total amount of such investments exceeds fifty
2247 percent (50%) of the savings bank's net worth. Facilities,
2248 furniture and fixtures leased for the purpose set forth in this
2249 section shall not be included in this limitation.

2250 (ii) With the prior written consent of the
2251 commissioner, a savings bank may invest in the initial purchase
2252 and development, or the purchase or commitment to purchase after
2253 completion, of home sites and housing for sale or rent, including,
2254 but not limited to: (A) projects for the reconstruction,
2255 rehabilitation or rebuilding of residential properties to meet the
2256 minimum standards of health and occupancy prescribed by
2257 appropriate local authorities; (B) the provision of accommodations
2258 for retail stores and other community services that are reasonably
2259 incident to such housing; or (C) in the shares of a corporation
2260 that owns one or more of those projects and that is wholly owned
2261 by one or more financial institutions whose investments are
2262 regulated by the laws of this state or of the United States. In
2263 no event shall the total investment in any one (1) project exceed
2264 fifteen percent (15%) of the savings bank's net worth, nor shall
2265 the aggregate investment under this paragraph exceed fifty percent
2266 (50%) of its net worth.

2267 (iii) No savings bank may make an investment
2268 unless it is in compliance with the net worth requirements of this
2269 chapter and with the net worth maintenance requirements of its
2270 insurer of deposit accounts. The commissioner shall approve the
2271 investment only if the savings bank shows:

2272 (A) That the savings bank has adequate assets
2273 available for the investment;

2274 (B) That the proposed investment does not
2275 exceed the reasonable market value of the property or interest

2276 therein as determined in accordance with the appraisal
2277 requirements of this chapter; and

2278 (C) That all other requirements of this
2279 section have been met.

2280 Nothing contained in this paragraph prohibits a savings bank
2281 from developing or building on land acquired by it under any other
2282 provision of this chapter nor from completing the construction of
2283 buildings in accordance with any construction loan contract where
2284 the borrower has failed to comply with the terms of the contract.

2285 (f) In stocks or obligations of business development
2286 corporations chartered by this state or by the United States or an
2287 agency thereof, but in no event shall the aggregate amount of
2288 stock exceed two and one-half percent (2-1/2%) of the savings
2289 bank's total capital or Two Hundred Fifty Thousand Dollars
2290 (\$250,000.00), whichever is greater.

2291 (g) In obligations of urban renewal investment
2292 corporations chartered under the laws of this state, or the United
2293 States, or in certificates of beneficial interest of urban renewal
2294 investment trusts, but in no event shall the aggregate amount of
2295 the stock, obligations or beneficial interest certificates of any
2296 one (1) maker exceed two and one-half percent (2-1/2%) of the
2297 savings bank's total capital, nor shall the aggregate amount of
2298 investments under this paragraph exceed fifteen percent (15%) of
2299 its total capital.

2300 (h) In commercial paper. As used in this section, the
2301 term "commercial paper" means short-term obligations having a
2302 maturity ranging from two (2) to two hundred seventy (270) days
2303 issued by banks, corporations or other borrowers. Investments in
2304 commercial paper under this section must be in securities rated in
2305 one (1) of the two (2) highest categories by at least two (2)
2306 nationally recognized investment rating services.

2307 (i) Purchase of stock in insurance companies.

2308 Notwithstanding any provision of this chapter to the contrary, a

2309 savings bank may purchase shares of, or otherwise acquire equity
2310 interest in, insurance companies and insurance holding companies
2311 organized to provide insurance for savings institutions and
2312 corporations and individuals affiliated with savings institutions;
2313 provided, however, that ownership of equity interest is a
2314 prerequisite to obtaining director's, officer's and blanket bond
2315 insurance through the company or companies. The commissioner may
2316 promulgate regulations concerning the size of each savings bank's
2317 investment and manner of holding those investments.

2318 (j) Subject to the regulation of the commissioner, in
2319 equity or debt securities or instruments of a service corporation
2320 that is a subsidiary of the savings bank.

2321 (k) Through advances of federal funds to designated
2322 depositories, provided that the advances are made on the condition
2323 that they be repaid on the next business day following the date on
2324 which the advance is made. For the purpose of this paragraph, the
2325 term "federal funds" means funds that a savings bank has on
2326 deposit at a depository that are exchangeable for funds on deposit
2327 at a federal reserve bank; the term "business day" means any day
2328 on which the savings bank, the depository and the federal reserve
2329 bank where the funds are on deposit are all open for general
2330 business.

2331 (l) In marketable investment securities, but in no
2332 event shall the total amount of those securities of any one (1)
2333 maker or obligor exceed five percent (5%) of the savings bank's
2334 total capital, nor shall the aggregate amount of investments under
2335 this section exceed fifteen percent (15%) of total capital. As
2336 used in this section, the term "marketable investment securities"
2337 does not include stock, but means investment grade marketable
2338 obligations evidencing indebtedness of any person in the form of
2339 bonds, notes or debentures commonly known as investment
2340 securities, and of a type customarily sold on recognized exchanges
2341 or traded over the counter. As used in this section, the term

2342 "investment grade" means being rated in one (1) of the two (2)
2343 highest categories by at least two (2) nationally recognized
2344 investment rating services. As used in this section, the term
2345 "person" means an individual corporation, partnership, joint
2346 venture, trust, estate or unincorporated association.

2347 SECTION 77. Section 81-14-305, Mississippi Code of 1972, is
2348 reenacted as follows:

2349 81-14-305. No savings bank, or subsidiary thereof, may
2350 accept its own capital stock or its own mutual capital
2351 certificates as security for any loan made by such savings bank.
2352 Further, no loans of any type shall be made, either directly or
2353 indirectly, for purposes relating to its own stock.

2354 SECTION 78. Section 81-14-307, Mississippi Code of 1972, is
2355 reenacted as follows:

2356 81-14-307. (1) No savings bank, or subsidiary thereof,
2357 shall require as a condition of making a loan that the borrower
2358 contract with any specific person or organization for particular
2359 goods or services.

2360 (2) A savings bank, or subsidiary thereof, must notify
2361 borrowers at or prior to the loan commitment of their right to
2362 select the attorney or law firm rendering legal services in
2363 connection with the loan, and the person or organization rendering
2364 insurance services in connection with the loan. Notwithstanding
2365 the notice requirement, a savings bank, or subsidiary thereof, may
2366 refuse to make any loan if it believes on reasonable grounds that
2367 the services provided by the person or organization selected by
2368 the borrower will afford insufficient protection to such
2369 institution or subsidiary.

2370 (3) A savings bank, or subsidiary thereof, may require
2371 borrowers to reimburse such savings bank for legal services
2372 rendered by its own attorney only when the fee is limited to legal
2373 services required by the making of such loan and the borrower has

2374 selected the savings bank's attorney in the manner provided by
2375 subsection (2) of this section.

2376 SECTION 79. Section 81-14-309, Mississippi Code of 1972, is
2377 reenacted as follows:

2378 81-14-309. (1) A savings bank may require borrowers to pay
2379 all reasonable expenses incurred by the savings bank in connection
2380 with making, closing, disbursing, extending, adjusting or renewing
2381 loans.

2382 (2) A savings bank may require a borrower to pay reasonable
2383 charges for late payments made during the course of repayment of a
2384 loan. Such payments may be levied only upon such terms and
2385 conditions as fixed by the savings bank's board of directors and
2386 agreed to by the borrower in the loan contract. Such payments
2387 shall not be considered interest under the usury laws of this
2388 state.

2389 SECTION 80. Section 81-14-311, Mississippi Code of 1972, is
2390 reenacted as follows:

2391 81-14-311. Subject to such rules and regulations as the
2392 commissioner may prescribe, a savings bank shall agree in writing
2393 with borrowers as to the method or plan by which an indebtedness
2394 shall be repaid.

2395 SECTION 81. Section 81-14-313, Mississippi Code of 1972, is
2396 reenacted as follows:

2397 81-14-313. Loans aggregating fifteen percent (15%) of the
2398 unimpaired capital and unimpaired surplus may be made by any state
2399 savings bank to any director or executive officer thereof, as
2400 defined in Regulation O promulgated by the Board of Governors of
2401 the Federal Reserve System, less existing direct and indirect
2402 liabilities thereto, upon affirmative approval of a majority of
2403 all directors spread on the minutes of a directors' meeting held
2404 before such loan is made, provided, such loan is made on
2405 substantially the same terms and conditions extended to other
2406 borrowers for comparable transactions. Any state savings bank may

2407 lend to any such director or executive officer thereof, upon
2408 affirmative approval of a majority of all directors spread on the
2409 minutes of a directors' meeting held before such loan is made, not
2410 more than twenty percent (20%) of the unimpaired capital and
2411 unimpaired surplus of the savings bank, less the amount of
2412 existing direct and indirect liabilities, when secured; or when
2413 the portion thereof in excess of any amount loaned under the first
2414 provision hereof is secured by obligations of the United States
2415 government, the State of Mississippi, and the levee districts,
2416 counties, road districts, school districts, and municipalities of
2417 the State of Mississippi, obligations of any other state of the
2418 United States and other bonds of recognized character and
2419 standing, which are the subject of daily newspaper market
2420 quotations, provided such loan shall not exceed eighty percent
2421 (80%) of the market or par value (whichever is less) of the bonds
2422 or obligations offered as security. Any state savings bank may
2423 lend to any executive officer or director thereof upon affirmative
2424 approval of a majority of all directors spread on the minutes of a
2425 directors' meeting held before such loan is made, such amount as
2426 is safe and proper, when secured by warehouse receipts or
2427 shippers' order bills of lading representing actual existing
2428 values, provided the amount loaned shall not exceed eighty percent
2429 (80%) of the market value of the commodities representing the
2430 actual existing values, and loans of this nature shall be made
2431 payable on demand so that the security held therefor may be sold
2432 on any date and the proceeds thereof applied to the payment of the
2433 loan. However, a savings bank's board of directors may, as shown
2434 in its minutes, give to a savings bank officer the authority to
2435 make secured or unsecured loans to an executive officer or
2436 director of such savings bank, without receiving the board's prior
2437 approval, in an amount that, when aggregated with the amount of
2438 all other extensions of credit to that person and to all related
2439 interests of that person, does not exceed the greater of

2440 Twenty-five Thousand Dollars (\$25,000.00) or five percent (5%) of
2441 the savings bank's unimpaired capital and unimpaired surplus.
2442 However, no state savings bank shall extend credit to any director
2443 or executive officer thereof, in an amount that, when aggregated
2444 with all other extensions of credit to that person and to all
2445 related interests of that person, exceeds Five Hundred Thousand
2446 Dollars (\$500,000.00) without documented prior affirmative
2447 approval of a majority of its directors.

2448 Loans and discounts by a state savings bank to a director or
2449 executive officer thereof secured in full by funds on deposit in
2450 time or savings accounts with the lending savings bank to the
2451 credit of the borrower shall not be restricted to the fifteen
2452 percent (15%) or twenty percent (20%) limitations herein
2453 prescribed.

2454 The limitations of this section shall not apply where an
2455 executive officer or director shall bona fide purchase from the
2456 savings bank at a reasonable price real or personal property
2457 acquired by the savings bank in payment of debts due the savings
2458 bank, provided such transactions are approved by a majority of the
2459 board of directors, such approval to be shown in their minutes;
2460 and, in cases where loans are made by branch offices, the sum
2461 total of loans made by any branch or branches and its parent
2462 savings bank to such executive officer or director shall be
2463 computed as against the total capital stock and surplus of the
2464 parent savings bank and its branch or branches. Loans heretofore
2465 made to executive officers or directors may be renewed or extended
2466 if in accord with sound banking practice.

2467 SECTION 82. Section 81-14-315, Mississippi Code of 1972, is
2468 reenacted as follows:

2469 81-14-315. The commissioner shall, from time to time,
2470 promulgate such rules and regulations in respect to loans
2471 permitted to be made by state savings banks as necessary to assure

2472 that such loans are keeping with sound lending practices and to
2473 promote the purpose of this chapter.

2474 SECTION 83. Section 81-14-317, Mississippi Code of 1972, is
2475 reenacted as follows:

2476 81-14-317. Unless otherwise provided, every loan or other
2477 investment made in violation of this chapter shall be due and
2478 payable according to its terms and the obligation thereof shall
2479 not be impaired; provided, however, that such violation consists
2480 only of the lending of an excessive sum on authorized security or
2481 of investing in an unauthorized investment.

2482 SECTION 84. Section 81-14-319, Mississippi Code of 1972, is
2483 reenacted as follows:

2484 81-14-319. The liability to a savings bank by a person,
2485 company, corporation or firm for money loaned, including in the
2486 liability of such person, company or firm, where a partnership,
2487 the liabilities of the several members thereof, shall not exceed
2488 twenty percent (20%) of the aggregate unimpaired capital and
2489 unimpaired surplus of said savings bank.

2490 The following shall not be restricted to or considered as
2491 coming within the limitations of twenty percent (20%) herein
2492 prescribed:

2493 (a) Loans and discounts secured by warehouse receipts
2494 or shippers' order bills of lading representing actual existing
2495 values, provided the amount of such loans and discounts shall not
2496 exceed eighty-five percent (85%) of the market value of the
2497 commodities representing the actual existing values.

2498 (b) Loans and discounts secured by bonds, certificates
2499 or notes constituting direct obligations of the United States
2500 government, or bonds fully guaranteed by the United States
2501 government, or by full faith and credit obligations of the State
2502 of Mississippi; provided, however, the commissioner shall from
2503 time to time determine and fix the maximum percentage of the par
2504 value of all such securities that may be loaned.

2505 (c) Loans and discounts to the extent that they are
2506 secured or covered by guaranties, or by commitments, or agreements
2507 to take over or purchase the same, made by any federal reserve
2508 bank, or by the United States, or any department, bureau, board,
2509 commission or establishment of the United States, including any
2510 corporation wholly owned directly or indirectly by the United
2511 States; provided that such guaranties, agreements or commitments
2512 are unconditional and are to be performed by payment within sixty
2513 (60) days after demand; provided, further, that the commissioner
2514 is hereby authorized to define the terms herein used and may by
2515 regulation control the making of loans under this paragraph (c).

2516 (d) Loans and discounts secured in full by funds on
2517 deposit in time or savings accounts with the lending savings bank
2518 to the credit of the borrower.

2519 Any officer or director who shall approve or make loans
2520 prohibited in this section shall be liable individually for the
2521 full amount of the principal and interest of any such loan. If
2522 the commissioner shall discover, in any examination of any open
2523 savings bank that there is a loss on any loan made in violation of
2524 this section, he shall make demand of all directors and officers
2525 approving or making such loan for payment of the entire unpaid
2526 balance on any such loan.

2527 Like demand shall be made and suit brought by the receiver of
2528 any savings bank in liquidation. Provided, however, this section
2529 shall not apply to loans to the State of Mississippi, or to any
2530 political subdivision thereof, nor to any levee district.

2531 SECTION 85. Section 81-14-321, Mississippi Code of 1972, is
2532 reenacted as follows:

2533 81-14-321. State savings banks shall have and possess the
2534 rights, powers, privileges, immunities, duties and obligations of
2535 thrift institutions organized and operating under the laws of this
2536 state or the federal government as may be prescribed by the board
2537 by general regulation under the circumstances and conditions set

2538 out therein. In the event of a conflict between the provisions of
2539 this paragraph and any other provision of this chapter, the
2540 provisions of this paragraph shall control.

2541 SECTION 86. Section 81-14-351, Mississippi Code of 1972, is
2542 reenacted as follows:

2543 81-14-351. Savings banks shall maintain their books and
2544 records in accordance with generally accepted accounting
2545 principles.

2546 SECTION 87. Section 81-14-353, Mississippi Code of 1972, is
2547 reenacted as follows:

2548 81-14-353. Savings banks shall maintain cash and readily
2549 marketable investments in an amount that may be established in the
2550 rules and regulations of the commissioner, but such amount shall
2551 not be less than ten percent (10%) of the assets of the savings
2552 bank. Upon receipt of a duly certified copy of a resolution by
2553 the board of directors of any savings bank requesting a temporary
2554 suspension, the commissioner may suspend the liquidity requirement
2555 for a period not longer than six (6) months.

2556 SECTION 88. Section 81-14-355, Mississippi Code of 1972, is
2557 reenacted as follows:

2558 81-14-355. Each savings bank shall maintain an adequate net
2559 worth appropriate for the conduct of its business and the
2560 protection of its savings account holders. The net worth adequacy
2561 of a savings bank shall be determined by the commissioner on a
2562 regular basis, but not less than one (1) time per year after
2563 evaluating the character of management, the quality of assets,
2564 history of earnings and the retention thereof, the potential
2565 volatility of the deposit structure and the institution's capacity
2566 to furnish the broadest service to the public. A written report
2567 of such finding and determination shall be made and filed by the
2568 commissioner.

2569 SECTION 89. Section 81-14-357, Mississippi Code of 1972, is
2570 reenacted as follows:

2571 81-14-357. (1) Every savings bank shall be authorized to
2572 solicit deposits from any person, natural or corporate, except as
2573 restricted or limited by law, or by such regulations as the
2574 commissioner may prescribe.

2575 (2) Savings banks may receive deposits of funds upon such
2576 terms as the contract of deposit shall provide to establish
2577 methods of withdrawals.

2578 SECTION 90. Section 81-14-359, Mississippi Code of 1972, is
2579 reenacted as follows:

2580 81-14-359. (1) Accounts may be in the name of two (2) or
2581 more persons, whether minor or adult, in such form that the money
2582 in the accounts are payable to either adult, or their survivors,
2583 and such money due under such accounts, and all additions thereto,
2584 shall be the property of such persons as joint tenants with the
2585 right of survivorship. The money due under such accounts may be
2586 paid to, or on the order of, any one of such persons during his
2587 lifetime or to, or on the order of, any one of the survivors of
2588 such persons. The opening of the account in such form shall be
2589 conclusive evidence with regard to the liability of the savings
2590 bank of the intention of all of the parties to the account to vest
2591 title to money due under the account and the additions thereto in
2592 such survivor or survivors. By written instructions given to the
2593 savings bank by all parties to the account, the signatures of more
2594 than one (1) of such persons during their lifetime, or of more
2595 than one (1) of the survivors after the death of any one of them,
2596 may be required for withdrawal, in which case the savings bank
2597 shall pay the money in the account only in accordance with such
2598 instructions. However, no such instructions shall limit the right
2599 of the survivor or survivors to receive the money in the account.
2600 By written agreement with the savings bank, any person may create
2601 a joint account with other persons as joint tenants with the right
2602 of survivorship and such agreement may be signed only by the
2603 persons creating the account.

2604 (2) The savings bank, unless instructed in writing to the
2605 contrary, may loan money to any one or more persons constituting a
2606 single membership or account as joint tenants with the right of
2607 survivorship, and any person authorized to make withdrawals as
2608 provided in this section may pledge, hypothecate or assign all, or
2609 any part of, the money due, or to become due, under such account.
2610 Any such pledge, hypothecation or assignment, or any increase to,
2611 or withdrawal from, the account shall not destroy the joint
2612 tenancy with the right of survivorship.

2613 (3) Payment of all or any of the money in such account, as
2614 provided in this section, shall discharge the savings bank from
2615 liability with respect to the money so paid, prior to receipt by
2616 the savings bank of a court order. After receipt of such court
2617 order, a savings bank may refuse, without liability, to honor any
2618 withdrawal on the account pending determination of the rights of
2619 the parties. No savings bank paying any survivor in accordance
2620 with the provisions of this section shall thereby be liable for
2621 any estate, inheritance or succession taxes which may be owed to
2622 this state.

2623 SECTION 91. Section 81-14-361, Mississippi Code of 1972, is
2624 reenacted as follows:

2625 81-14-361. Any savings bank may accept accounts in the name
2626 of any administrator, executor, guardian, trustee or other
2627 fiduciary in trust for a named beneficiary or beneficiaries. Such
2628 fiduciary shall have the authority to vote as a member of the
2629 savings bank as if any membership account were held absolutely,
2630 and to make payments upon, and withdraw from, any such account in
2631 whole or in part. The withdrawal value of any such account, or
2632 other rights relating thereto, may be paid or delivered, in whole
2633 or in part, to such fiduciary without regard to any notice as long
2634 as such fiduciary is living. The payment or delivery to any such
2635 fiduciary or a receipt of acquittance signed by any such fiduciary
2636 to whom any such payment or any such delivery or rights is made

2637 shall be valid and sufficient release and discharge of any savings
2638 bank for the payment or delivery so made. Whenever a person
2639 holding an account in a fiduciary capacity dies and no written
2640 notice of the revocation or termination of the trust relationship
2641 has been given to a savings bank and the savings bank has no
2642 notice of any other disposition of the trust estate, the
2643 withdrawal value of such account, or other rights relating
2644 thereto, may at the option of a savings bank be paid or delivered,
2645 in whole or in part, to the beneficiary or beneficiaries of such
2646 trust. Whenever an account is opened by any person describing
2647 himself as trustee for another and there is no further notice of
2648 the existence and terms of a legal and valid trust, then such
2649 description shall be given in writing to such savings bank. In
2650 the event of the death of the person so described as trustee, the
2651 withdrawal value of such account, or any part thereof, may be paid
2652 to the person for whom the account was thus stated to have been
2653 opened. Such account, and all additions thereto, shall be the
2654 property of such person, unless prior to payment the trust
2655 agreement is presented to the savings bank showing a contrary
2656 interest. When made in accord with this section, the payment or
2657 delivery to any such beneficiary, beneficiaries or designated
2658 person, or a receipt or acquittance signed by any such
2659 beneficiary, beneficiaries or designated person for any such
2660 payment or delivery shall be a valid and sufficient release and
2661 discharge of a savings bank for the payment or delivery so made.
2662 Trust accounts permitted by this chapter shall not be required to
2663 be acknowledged and recorded. When an account is opened in a form
2664 described in this section, the right set forth in Section
2665 81-14-363 shall apply. No savings bank paying any beneficiary in
2666 accordance with the provisions of this section shall thereby be
2667 liable for any estate, inheritance or succession taxes which may
2668 be owed to this state.

2669 SECTION 92. Section 81-14-363, Mississippi Code of 1972, is
2670 reenacted as follows:

2671 81-14-363. (1) An account in a savings bank may be opened
2672 by any person or persons with directions to make such account
2673 payable upon his or their death to the named beneficiary or
2674 beneficiaries. When an account is so opened, the savings bank
2675 shall pay any money to the person or persons opening such account
2676 during his or their lifetime in the same manner as if the account
2677 were in the sole name or names of such person or persons.

2678 (2) If the named beneficiary or one (1) of the named
2679 beneficiaries survive the death of the person opening such an
2680 account and the beneficiary or all of the beneficiaries so named
2681 are sixteen (16) years of age or over at the death of such person,
2682 the savings bank shall pay the money to the credit of the account,
2683 less all proper setoffs and charges, to the named beneficiary or
2684 beneficiaries or upon his or their order, as hereinafter provided.
2685 Such payment by the savings bank shall be valid, notwithstanding
2686 any lack of legal age of the named beneficiary or beneficiaries.
2687 However, where such an account is opened or subsequently held by
2688 more than one (1) person, the death of one (1) of such persons
2689 shall not terminate the account and the account shall continue as
2690 to the surviving person or persons and the named beneficiary or
2691 beneficiaries subject to the provisions of subsection (3).

2692 (3) If the named beneficiary or all of the named
2693 beneficiaries survive the death of the person or persons opening
2694 such an account and are under sixteen (16) years of age at such
2695 time, the savings bank shall pay the money to the credit of the
2696 account, less all proper setoffs and charges:

2697 (a) When or after the named beneficiary becomes sixteen
2698 (16) years of age, to the named beneficiary or upon his order; or

2699 (b) When more than one (1) beneficiary is named, the
2700 savings bank shall pay to each beneficiary so named his

2701 proportionate interest in such account as each severally becomes
2702 sixteen (16) years of age; or

2703 (c) To the legal guardian of the named beneficiary,
2704 wherever appointed and qualified, or where more than one (1)
2705 beneficiary is named, the savings bank shall pay such
2706 beneficiary's proportionate interest in such account to his legal
2707 guardian wherever and whenever appointed and qualified; or

2708 (d) In the event no guardian is appointed and
2709 qualified, payment may be made in accordance with the provisions
2710 of Section 93-13-211 et seq., Mississippi Code of 1972, in
2711 situations to which such sections are applicable.

2712 (4) Where the death of the person or persons opening such an
2713 account terminates the account under the provisions of subsections
2714 (2) and (3) of this section and where one or more of the named
2715 beneficiaries are under sixteen (16) years of age and the
2716 remainder of the named beneficiaries are sixteen (16) years of age
2717 or over, the savings bank shall pay the money to the credit of the
2718 trust, less all proper setoffs and charges, to:

2719 (a) The named beneficiaries sixteen (16) years of age
2720 or over at the time of termination of said account pursuant to
2721 subsection (2) of this section; and

2722 (b) The named beneficiaries under sixteen (16) years of
2723 age at the time of termination of said account pursuant to
2724 subsection (3) of this section.

2725 (5) Where such account is opened or subsequently held by
2726 more than one (1) person, the savings bank in the absence of any
2727 written instructions to the contrary, consented to by the savings
2728 bank, shall accept payments made to such account and may pay any
2729 money to the credit of such account from time to time to, or
2730 pursuant to the order of, either or any of such persons during
2731 their life or lives in the same manner as if the account were in
2732 the sole name of either of such persons.

2733 (6) When a person or persons opens an account in a savings
2734 bank in the form set forth in subsection (1) of this section, and
2735 makes a payment or payments to such account, or causes a payment
2736 or payments to be made to such account, such person or persons
2737 shall be conclusively presumed to intend to vest in the named
2738 beneficiary or beneficiaries a present beneficial interest in such
2739 payments made, and in the money to the credit of the account from
2740 time to time, to the end that, if the named beneficiary or
2741 beneficiaries survive the person or persons opening such an
2742 account, all the right and title of the person or persons opening
2743 such an account in and to the money to the credit of the account
2744 at the death of such person or persons, less all proper setoffs
2745 and charges, shall at such death, vest solely and indefeasibly in
2746 the named beneficiary or beneficiaries subject to the conditions
2747 and limitations of subsection (3).

2748 (7) If the named beneficiary predeceases the person opening
2749 such an account, the present beneficial interest presumed to be
2750 vested in the named beneficiary pursuant to subsection (6) of this
2751 section shall terminate at the death of the named beneficiary. In
2752 such case, the personal representatives of the named beneficiary,
2753 and all others claiming through or under the named beneficiary,
2754 shall have no right in or title to the money to the credit of the
2755 account, and the savings bank shall pay such money, less all
2756 proper setoffs and charges, to the person opening such an account,
2757 or pursuant to his order, in the same manner as if the account
2758 were in the sole name of the person opening such an account;
2759 provided, however, where such an account names more than one (1)
2760 beneficiary, the death of one (1) of the beneficiaries so named
2761 shall not terminate the account and the account shall continue as
2762 to the surviving beneficiary or beneficiaries subject to the
2763 provisions of subsection (3) of this section.

2764 (8) A savings bank which makes any payment pursuant to
2765 subsection (3) of this section, prior to service upon the savings

2766 bank of an order of court restraining such payment shall, to the
2767 extent of each payment so made, be released from all claims of the
2768 person or persons opening such an account, the named beneficiary
2769 or beneficiaries, their legal representatives, and all others
2770 claiming through or under them.

2771 (9) When an account is opened in a form described in
2772 subsection (1) of this section, the right of the named beneficiary
2773 or beneficiaries to be vested with sole and indefeasible title to
2774 the money to the credit of the account on the death of the person
2775 or persons opening such an account shall not be denied, abridged
2776 or in anyway affected because such right has not been created by a
2777 writing executed in accordance with the law of this state
2778 prescribing the requirements to effect a valid testamentary
2779 disposition of property.

2780 SECTION 93. Section 81-14-365, Mississippi Code of 1972, is
2781 reenacted as follows:

2782 81-14-365. Notwithstanding any other provision of law, a
2783 processing fee may be charged and collected by any savings bank
2784 for checks on which payment has been refused by the payor
2785 depository institution. A savings bank may also collect such fee
2786 for checks drawn on that savings bank with respect to an account
2787 with insufficient funds.

2788 SECTION 94. Section 81-14-367, Mississippi Code of 1972, is
2789 reenacted as follows:

2790 81-14-367. (1) A savings bank shall have a right of setoff,
2791 without further agreement or pledge, upon all deposit accounts
2792 owned by any member or customer to whom or upon whose behalf the
2793 savings bank has made an unsecured advance of money by loans.
2794 Upon default in the repayment of satisfaction thereof, the savings
2795 bank may cancel on its books all or any part of the deposit
2796 accounts owned by such member or customer and apply the value of
2797 such accounts in payment of such obligation.

2798 (2) A savings bank which exercises the right of setoff
2799 provided in this section shall first give a thirty-day notice to
2800 the member or customer that such right will be exercised. Such
2801 accounts may be held or frozen, with no withdrawals permitted,
2802 during the thirty-day notice period. Such accounts may not be
2803 canceled and the value thereof may not be applied to pay such
2804 obligation until the thirty-day period has expired without the
2805 member or customer having cured the default on the obligation.
2806 The amount of any member's or customer's interest in a joint
2807 account or other account held in the names of more than one (1)
2808 person shall be subject to the right of setoff provided in this
2809 section.

2810 (3) If a savings bank shall proceed in good faith as
2811 provided in this section, but it is later determined that the
2812 savings bank was not entitled to have held or set off funds, then
2813 the savings bank's sole obligation shall be to return the funds to
2814 the member's or customer's account, together with interest at the
2815 rate that would have applied if the account had not been held or
2816 set off. The savings bank shall not otherwise be liable for any
2817 costs or damages. This section is not exclusive, but shall be in
2818 addition to contract, common law and other rights of setoff. Such
2819 other rights shall not be governed in any fashion by this section.

2820 SECTION 95. Section 81-14-369, Mississippi Code of 1972, is
2821 reenacted as follows:

2822 81-14-369. A savings bank and any federal savings bank may
2823 issue savings accounts to any minor or other person under
2824 disability as the sole and absolute owner of such savings account.
2825 Such savings bank may receive payments by or for such owner, pay
2826 withdrawals, accept pledges to the savings bank, and act in any
2827 other manner with respect to such account on the written
2828 instruction of such savings account holder in accord with this
2829 chapter. Any payment or delivery of rights to any minor or other
2830 person under a disability, or a receipt or acquittance signed by a

2831 minor or other person under a disability, who holds a savings
2832 account, shall be a valid and sufficient release of such savings
2833 bank for any payment so made or delivery of rights to such minor
2834 or person. The receipt, acquittance, pledge or other action
2835 required by the savings bank to be taken by such minor or person
2836 shall be binding upon such minor or person as if he were of full
2837 age and legal capacity. The parent or guardian of such minor or
2838 person shall not in his capacity as parent or guardian have the
2839 power to attach or to transfer any savings account issued to, or
2840 in the name of, such minor or person; provided, however, that in
2841 the event of the death of such minor or person, the receipt or
2842 acquittance of either parent, a person standing in loco parentis,
2843 guardian or conservator of such minor or person shall be a valid
2844 and sufficient discharge of such savings bank for any sum not
2845 exceeding One Thousand Dollars (\$1,000.00), unless the minor or
2846 person has given written notice to the savings bank not to accept
2847 the signature of such person.

2848 SECTION 96. Section 81-14-371, Mississippi Code of 1972, is
2849 reenacted as follows:

2850 81-14-371. Notwithstanding any restrictions or limitations
2851 contained in any law of this state, the deposit accounts of any
2852 state savings bank or of any federal savings bank having its
2853 principal office in this state, may be accepted by any agency,
2854 department or official of this state in any case wherein such
2855 agency, department or official acting in its or his official
2856 capacity requires that securities be deposited with such agency,
2857 department or official.

2858 SECTION 97. Section 81-14-373, Mississippi Code of 1972, is
2859 reenacted as follows:

2860 81-14-373. Upon the filing with a savings bank by the holder
2861 of records as shown by the books of the savings banks, or by his
2862 legal representative, of an affidavit to the effect that the
2863 account book, certificate or other evidence of ownership of his

2864 savings account with the savings bank has been lost or destroyed,
2865 and that such account book or certificate has not been pledged or
2866 assigned in whole or in part, such savings bank shall issue a new
2867 account book or certificate in the name of the holder of record.
2868 Such savings bank shall in no way be liable thereafter for the
2869 original account book or certificates, unless the board of
2870 directors requires a bond in an amount sufficient to indemnify the
2871 savings bank against any loss which might result from the issuance
2872 of such new account book or certificate.

2873 SECTION 98. Section 81-14-375, Mississippi Code of 1972, is
2874 reenacted as follows:

2875 81-14-375. The owner of a deposit account may transfer his
2876 rights therein absolutely or conditionally to any other person
2877 eligible to hold such rights, but such transfer may be made on the
2878 books of the savings bank and accompanied by the proper
2879 application for transfer by the transferor and transferee. Such
2880 transferor and transferee shall accept such account subject to the
2881 terms and conditions of the account contract, the bylaws of the
2882 savings bank, the provisions of its certificate of incorporation,
2883 and all rules and regulations of the commissioner.

2884 Notwithstanding the effectiveness of such a transfer between the
2885 parties thereto, the savings bank may treat the holder of record
2886 of a deposit account as the owner thereof for all purposes,
2887 including payment and voting, until such transfer and assignment
2888 has been recorded by the savings bank.

2889 SECTION 99. Section 81-14-377, Mississippi Code of 1972, is
2890 reenacted as follows:

2891 81-14-377. A savings bank may continue to recognize the
2892 authority of an individual holding a power of attorney in writing
2893 to manage or to make withdrawals, either in whole or in part, from
2894 the deposit account of a customer or member until it receives
2895 written or actual notice of death, or of adjudication of
2896 incompetency of such member, or revocation of the authority of

2897 such individual holding such power of attorney. Payment by the
2898 savings bank to an individual holding a power of attorney prior to
2899 receipt of such notice shall be a total discharge of the savings
2900 bank's obligation as to the amount so paid.

2901 SECTION 100. Section 81-14-379, Mississippi Code of 1972, is
2902 reenacted as follows:

2903 81-14-379. Notice to any savings bank doing business in this
2904 state of an adverse claim to an account on its books in the name
2905 of any savings account holder shall not cause the savings bank to
2906 recognize such adverse claimant, unless: (a) such adverse
2907 claimant either procures a restraining order, injunction or other
2908 appropriate process against the savings bank from a court of
2909 competent jurisdiction wherein the savings account holder, in
2910 whose name the account appears, is made a party and served with
2911 summons; or (b) such adverse claimant executes to the savings
2912 bank, in form and with sureties acceptable to it, a bond
2913 indemnifying it from any and all liability, loss, damage, costs
2914 and expenses for and on the account of the payment of such adverse
2915 claim.

2916 SECTION 101. Section 81-14-381, Mississippi Code of 1972, is
2917 reenacted as follows:

2918 81-14-381. When an account is held in any savings bank by a
2919 person residing in another state or country, the account, or any
2920 part thereof, not in excess of Two Thousand Five Hundred Dollars
2921 (\$2,500.00), may be paid to the administrator or executor
2922 appointed in the state or country where the account holder resides
2923 at the time of death; provided, however, that such administrator
2924 or executor has furnished the savings bank with (a) authenticated
2925 copies of his letters and of the order of the court which issued
2926 the letters to him authorizing him to collect, receive and remove
2927 the personal estate, and (b) an affidavit by the administrator or
2928 executor stating that to his knowledge no letters are then
2929 outstanding in this state and no petition for letters by an heir,

2930 legatee, devisee or creditor of the decedent is pending on the
2931 estate in this state, and that there are no creditors of the
2932 estate in this state. Upon payment or delivery to such
2933 representative after receipt of the affidavit and authenticated
2934 copies, the savings bank is released and discharged to the same
2935 extent as if the payment or delivery had been made to a legally
2936 qualified resident executor or administrator. Such savings bank
2937 is not required to see to the application or disposition of the
2938 property. No action at law or in equity shall be maintained
2939 against the savings bank for payment made in accordance with the
2940 above provisions.

2941 SECTION 102. Section 81-14-383, Mississippi Code of 1972, is
2942 reenacted and amended as follows:

2943 81-14-383. Any savings bank may pay to the successor of a
2944 deceased savings account holder, as defined in Section
2945 91-7-322(2), without necessity of administration, upon affidavit
2946 that the deceased died leaving no will and testament and bond
2947 signed by each of the successors guaranteeing payment of any
2948 lawful debts of the deceased to the extent of that withdrawal, any
2949 sum in the decedent's account not to exceed Twelve Thousand Five
2950 Hundred Dollars (\$12,500.00). The receipt of acquittance of the
2951 person or persons so paid shall be a valid and sufficient release
2952 and discharge to the savings bank against all other persons and
2953 claimants for any payment so made; * * * however, the bond is made
2954 available to any creditor for suit against the makers of the bond.

2955 SECTION 103. Section 81-14-385, Mississippi Code of 1972, is
2956 reenacted as follows:

2957 81-14-385. (1) Administrators, executors, custodians,
2958 guardians, trustees, pension funds and other fiduciaries of every
2959 kind and nature, insurance companies, business and manufacturing
2960 companies, banks, credit unions and all other types of financial
2961 institutions, charitable, educational and eleemosynary
2962 institutions and organizations hereby are specifically authorized

2963 and empowered to invest funds held by them, without any order of
2964 any court, in savings accounts of savings banks which are under
2965 state supervision, and in accounts of insured savings banks. Such
2966 investments shall be deemed and held to be legal investments for
2967 such funds. With respect to investments by custodians, savings
2968 banks hereby are deemed to be qualified institutions within the
2969 meaning of that term as used in the Uniform Gifts to Minors Law of
2970 this state.

2971 (2) The provisions of this section are supplemental to any
2972 and all other laws relating to and declaring what shall be legal
2973 investments for the persons, fiduciaries, corporations,
2974 organizations and officials referred to in this section, and the
2975 laws relating to the deposit of securities and the making and
2976 filing of bonds for any purpose.

2977 SECTION 104. Section 81-14-387, Mississippi Code of 1972, is
2978 reenacted as follows:

2979 81-14-387. A savings bank may borrow up to twenty-five
2980 percent (25%) of its savings liability and net worth for lending
2981 purposes; a savings bank may borrow an additional twenty-five
2982 percent (25%) of its savings liability and net worth for the
2983 purpose of making loans guaranteed by the Federal Housing
2984 Administration, a private mortgage guaranty insurance company
2985 licensed to do business in this state, or by the Veterans
2986 Administration; a savings bank may borrow up to fifty percent
2987 (50%) of its savings liability and net worth to pay withdrawals.
2988 Borrowing of additional amounts for purchase or construction of a
2989 home office or branch office is authorized, but only with approval
2990 of the commissioner. Subsequent reduction of savings liability
2991 and net worth shall not in any way affect outstanding obligations,
2992 but shall be reported to the commissioner and steps taken to
2993 comply within a reasonable time. The directors may pledge or
2994 authorize the officers to pledge any assets of the savings bank to
2995 secure any loans herein permitted. For the purpose of this

2996 paragraph, use of savings accounts in the savings bank shall not
2997 be considered borrowing.

2998 SECTION 105. Section 81-14-389, Mississippi Code of 1972, is
2999 reenacted as follows:

3000 81-14-389. Any state savings bank shall have the power to
3001 subscribe to the capital stock and become a member of a federal
3002 reserve bank. Any such savings bank shall continue to be subject
3003 to the supervision and examination required by the laws of this
3004 state, except that the Federal Reserve Board shall have the right,
3005 if it deems necessary, to make examinations. The commissioner may
3006 disclose to the Federal Reserve Board, or to the examiners duly
3007 appointed by it, all information in reference to the affairs of
3008 any savings bank which has become, or desires to become, a member
3009 of a federal reserve bank.

3010 SECTION 106. Section 81-14-401, Mississippi Code of 1972, is
3011 reenacted as follows:

3012 81-14-401. (1) Notwithstanding any other provision of law,
3013 any stock savings bank may simultaneously with its incorporation
3014 or conversion to a stock savings bank provide for its ownership by
3015 a holding company. In the case of a conversion, members of the
3016 converting savings bank shall have the right to purchase capital
3017 stock of the holding company in lieu of capital stock of the
3018 converted savings bank in accordance with Section 81-14-107(3)(f).

3019 (2) Notwithstanding any other provision of law, any stock
3020 savings bank may reorganize its ownership to provide for ownership
3021 by a holding company, upon adoption of a plan of reorganization by
3022 a favorable vote of not less than two-thirds (2/3) of the members
3023 of the board of directors of the savings bank and approval of such
3024 plan of reorganization by the holders of not less than a majority
3025 of the issued and outstanding shares of stock of the savings bank.
3026 The plan of reorganization shall provide that (a) the resulting
3027 ownership shall be vested in a Mississippi corporation; (b) all
3028 stockholders of the stock savings bank shall have the right to

3029 exchange shares; (c) the exchange of stock shall not be subject to
3030 state or federal income taxation; (d) stockholders not wishing to
3031 exchange shares shall be entitled to dissenters' rights as
3032 provided under Section 79-4-13.01 et seq., Mississippi Code of
3033 1972, and (e) the plan of reorganization is fair and equitable to
3034 all stockholders.

3035 (3) Notwithstanding any other provision of law, any mutual
3036 savings bank may reorganize its ownership to provide for ownership
3037 by a holding company upon adoption of a plan of reorganization by
3038 favorable vote of not less than two-thirds (2/3) of the members of
3039 the board of directors of the savings bank and approval of the
3040 plan of reorganization by a majority of the voting members of the
3041 savings bank. The plan of reorganization shall provide: (a) the
3042 resulting ownership of one (1) or more subsidiary savings banks
3043 shall be evidenced by stock shares; (b) the substantial portion of
3044 the assets and all of the insured deposits and part or all of the
3045 other liabilities shall be transferred to one (1) or more
3046 subsidiary savings banks; (c) the reorganization shall not be
3047 subject to state or federal income taxation; and (d) the plan of
3048 reorganization is fair and equitable to all members of the savings
3049 bank. The commissioner shall promulgate rules regarding the
3050 formation of the subsidiary savings banks and the holding company,
3051 including the rights of members, levels of investment in the
3052 holding company subsidiaries, and stock sales.

3053 (4) A holding company may invest in any investment
3054 authorized by its board of directors, except as limited by
3055 regulations promulgated by the commissioner pursuant to this
3056 chapter.

3057 (5) Any entity which controls a stock savings bank, or
3058 acquires control of a stock savings bank, is a holding company.
3059 As used in this section, "entity" means an individual,
3060 corporation, partnership, joint venture, trust, estate or
3061 unincorporated association.

3062 (6) Holding companies shall be under the supervision of the
3063 commissioner. The commissioner shall exercise all powers and
3064 responsibilities with respect to holding companies which he
3065 exercises with respect to savings banks. However, a bank holding
3066 company subject to regulation by the Federal Reserve Board or an
3067 entity that controls one or more commercial banks shall not be
3068 considered a holding company for purposes of this chapter, even if
3069 such bank holding company or entity also owns or controls one or
3070 more savings banks, savings institutions or thrift institutions.
3071 Notwithstanding any other provision of law, such bank holding
3072 company or entity shall not be subject to supervision or
3073 regulation by the department, commissioner or board, and the
3074 department, commissioner or board shall not have access to the
3075 books and records of such bank holding company or entity.

3076 SECTION 107. Section 81-14-403, Mississippi Code of 1972, is
3077 reenacted as follows:

3078 81-14-403. (1) Any entity contemplating an action that will
3079 result in the change of control of a savings bank or savings
3080 bank's holding company shall first make application to the
3081 commissioner for a certificate of approval. Such application
3082 shall be in the form prescribed by the commissioner and shall
3083 contain such information as he shall require.

3084 (2) Notwithstanding the provisions of this chapter, the
3085 commissioner may define "control" by rule and regulation in a
3086 manner to ensure uniformity with federal law, regulation and
3087 usage.

3088 SECTION 108. Section 81-14-501, Mississippi Code of 1972,
3089 which is a repealer on the statutes providing for the regulation
3090 of savings banks, is repealed.

3091 SECTION 109. The Legislature recommends that all sections
3092 which are reenacted but not amended in this act, and which appear
3093 in the main volume of the Mississippi Code of 1972, shall not be
3094 reprinted in the supplement, but that an editor's note shall

3095 appear in the supplement in the proper place to explain that the
3096 section was reenacted and the language as it appears in the main
3097 volume was unaffected by the legislation and consequently has not
3098 been reprinted in the supplement.

3099 SECTION 110. This act shall take effect and be in force from
3100 and after July 1, 2001.