

By: Senator(s) Mettetal

To: Business and Financial  
Institutions

SENATE BILL NO. 2601

1 AN ACT TO REENACT SECTIONS 81-12-1 THROUGH 81-12-207,  
2 MISSISSIPPI CODE OF 1972, WHICH CREATE THE SAVINGS ASSOCIATION  
3 LAW, AND PRESCRIBE THE RULES AND REGULATIONS GOVERNING ALL  
4 INSTITUTIONS CARRYING ON A SAVINGS AND LOAN BUSINESS IN THE STATE;  
5 TO REPEAL SECTION 81-12-209, MISSISSIPPI CODE OF 1972, TO REMOVE  
6 THE REPEALER ON THOSE SECTIONS; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

26 (e) "Community" means a centralized area or locality in  
27 which the inhabitants have common residential, social or business  
28 interests. The term is not restricted to a municipal corporation

29 or other political subdivision; a community need not be limited by  
30 lines and boundaries. A city, town or other governmental unit,  
31 either incorporated or unincorporated, may constitute one (1)  
32 community; a large, populous area under one or more forms of  
33 government may comprise one (1) or several communities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



259 order, or any repeated violation of or failure to comply with any  
260 association's bylaws, and that as a result, a situation exists  
261 requiring immediate corrective action, the commissioner shall give  
262 notice to the board of directors of the association setting forth  
263 the violations and the remedies for same. Failure of the board of  
264 directors to comply with the requirements of the commissioner  
265 within ten (10) days from the date of the notice shall render the  
266 board of directors in default thereupon. Upon the expiration of  
267 such ten (10) days and upon continuation of such noncompliance and  
268 default, the commissioner may issue an order temporarily removing  
269 such person or persons cited for improper conduct as above  
270 described pending a hearing before the commissioner. In regard to  
271 a controlling stockholder, the commissioner may order the  
272 stockholder to place all his voting stock in a voting trust, the  
273 trustee of the voting trust to be designated by the commissioner.  
274 Any temporary order of removal shall state its duration on its  
275 face and the words "Temporary Order of Removal" and shall be  
276 effective upon issuance for a period of thirty (30) days and may  
277 be extended once upon written notice by the commissioner for an  
278 additional period of fifteen (15) days. A hearing upon such  
279 "Temporary Order of Removal" shall be held by the commissioner  
280 within the thirty-day period, or any extension thereof, upon not  
281 less than fifteen (15) days' notice to the removed person or  
282 persons by certified United States mail, restricted delivery, at  
283 which hearing the commissioner may dissolve the temporary order or  
284 make the same permanent. No removed person or persons shall  
285 receive any salary, compensation or remuneration from the  
286 association as an officer or director after the order is made  
287 permanent. Any temporary order of removal by the commissioner  
288 shall not be subject to judicial review in any form. Any final  
289 order of the commissioner may be appealed as provided in Section  
290 81-12-205.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

787 (d) Entered into voluntary or involuntary liquidation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

887 Subsequent reduction of savings liability and net worth shall not  
888 in any way affect outstanding obligations, but shall be reported  
889 to the commissioner and steps taken to comply within a reasonable  
890 time. The directors may pledge or authorize the officers to pledge  
891 any assets of the association to secure any loans herein  
892 permitted. For the purpose of this paragraph, use of savings  
893 accounts in the association shall not be considered borrowing;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

998           (iii) Except for stock issued pursuant to a plan  
999 of merger, consolidation or conversion from a mutual to a stock  
1000 association or other type of reorganization which has been  
1001 approved as provided herein, the consideration for the issuance of  
1002 voting capital stock, the par value of which shall be maintained  
1003 as the permanent capital of the association, except as otherwise  
1004 provided in subparagraph (a)(iv) of this section, shall be paid in  
1005 cash, and any excess shall be credited to paid-in surplus which  
1006 shall not be available for dividends or other distribution to  
1007 stockholders, except upon liquidation.

1008           (iv) Except as provided herein, the total of the  
1009 par values of all outstanding shares of voting capital stock shall  
1010 be the permanent capital of the association and shall not be  
1011 retired until final liquidation of the association.

1012 Notwithstanding the foregoing limitation, a capital stock  
1013 association may reduce its permanent capital through a reduction  
1014 of its outstanding voting capital stock pursuant to a plan adopted  
1015 by its board of directors, and approved by an affirmative vote of  
1016 a majority of the shares eligible to vote, and by an affirmative  
1017 vote of two-thirds (2/3) of those shares present and voting, in  
1018 person or by proxy, at an annual or special meeting of the  
1019 stockholders of the association. In the event approval of any  
1020 such plan for the reduction of stock as herein provided shall  
1021 result in fractional shares, the association may acquire such  
1022 fractional shares of its own stock by tender of payment of the  
1023 price per share prior to such reduction as stipulated in the plan.  
1024 Such tender may be made by bank check drawn upon association funds  
1025 payable to the record holders of such fractional shares and mailed  
1026 United States postage prepaid to such holders at the last address  
1027 of record with the association. Pursuant to such plan, a capital  
1028 stock association may purchase or redeem whole shares of its own  
1029 stock at the price per share stipulated in the plan upon written  
1030 assent of the holders thereof prior to such reduction. No plan  
1031 for the reduction of the permanent capital or outstanding voting  
1032 capital stock of an association shall be effective without first  
1033 obtaining the written consent of the commissioner.

1034                   (v) Unless otherwise provided by the articles of  
1035 incorporation, every stockholder, upon the sale for cash of any  
1036 new stock of the same kind, class or series as that which he  
1037 already holds, shall have the right to purchase his pro rata share  
1038 thereof, as nearly as may be done without issuance of fractional  
1039 shares, at the price at which it is offered to others, which price  
1040 must be in excess of par.

1041                   (vi) An association shall not make a loan secured  
1042 by the pledge of its capital stock.

1043                   (vii) A capital stock association may sell any  
1044 authorized but unissued shares of capital stock for cash at a



1045 price which must be in excess of par. No incentive stock shall be  
1046 issued. Subject to the requirements of Section 81-12-51(a)(v), an  
1047 association may employ an agent to sell those shares of authorized  
1048 capital stock not necessary to meet the minimum capital and  
1049 paid-in surplus requirements of Section 81-12-37, provided that  
1050 the proposed agreement with the agent for the sale of such stock  
1051 is approved by the commissioner before the association enters into  
1052 such agreement.

1053 (b) No capital stock savings and loan association shall  
1054 declare or pay any dividend upon its common stock unless such  
1055 association has received written approval by the Commissioner of  
1056 Banking and Consumer Finance. Directors declaring a dividend in  
1057 violation of the provisions of this section shall be personally  
1058 liable to the full amount of the dividend so declared and it shall  
1059 be the duty of the commissioner, upon discovering the payment of  
1060 any such dividend, to forthwith make demand upon the directors  
1061 that the same be restored to the association, and upon their  
1062 failure so to do he shall cause suit to be brought against them in  
1063 the chancery court of the county in which the association is  
1064 located, either in his name or in the name of the association, to  
1065 recover the same for the benefit of the association.

1066 SECTION 26. Section 81-12-53, Mississippi Code of 1972, is  
1067 reenacted as follows:

1068 81-12-53. At an annual meeting or at any special meeting of  
1069 the members called to consider such action, any mutual association  
1070 as defined in this chapter may convert itself into a federal  
1071 mutual savings association or federal mutual savings and loan  
1072 association, hereinafter in this subsection called "federal  
1073 association," in accordance with the provisions of the laws of the  
1074 United States, as now or hereafter amended, upon an affirmative  
1075 vote of fifty-one percent (51%) or more of the total number of  
1076 votes of the members eligible to be cast. A copy of the minutes  
1077 of the proceedings of such meeting of the members, verified by the

1078 affidavit of the secretary or an assistant secretary, shall be  
1079 filed in the office of the commissioner within ten (10) days after  
1080 the date of such meeting. A sworn copy of the proceedings of such  
1081 meeting, when so filed, shall be presumptive evidence of the  
1082 holding and action of such meeting. Any member challenging the  
1083 accuracy of such minutes by sworn objection may appeal to the  
1084 commissioner. Within three (3) months after the date of such  
1085 meeting, the association shall take such action in the manner  
1086 prescribed and authorized by the laws of the United States as  
1087 shall make it a federal association. There shall be filed with  
1088 the commissioner a copy of the charter issued to such federal  
1089 association by the appropriate federal regulatory authority or a  
1090 certificate showing the organization of such association as a  
1091 federal association, certified by the secretary or assistant  
1092 secretary of the appropriate federal regulatory authority. A  
1093 similar copy of the charter, or of such certificate, shall be  
1094 filed by the association with the Secretary of State. No failure  
1095 to file any such instruments with either the commissioner or the  
1096 Secretary of State shall affect the validity of such conversion.  
1097 Upon the grant to any association of a charter by the appropriate  
1098 federal regulatory authority, the association receiving such  
1099 charter shall cease to be an association incorporated under this  
1100 chapter and shall no longer be subject to the supervision and  
1101 control of the commissioner. Upon the conversion of any  
1102 association into a federal association, the corporate existence of  
1103 such association shall not terminate, but such federal association  
1104 shall be deemed to be a continuation of the entity of the  
1105 association so converted and all property of the converted  
1106 association, including its rights, titles and interests in and to  
1107 all property of whatever kind, whether real, personal or mixed,  
1108 and things in action, and every right, privilege, interest and  
1109 asset then existing, or pertaining to it, or which may inure to  
1110 it, shall immediately by operation of law and without any

1111 conveyance or transfer and without any further act or deed remain  
1112 and be vested in and continue and be the property of such federal  
1113 association into which the association has converted itself, and  
1114 such federal association shall have, hold and enjoy the same in  
1115 its own right as fully and to the same extent as the same was  
1116 possessed, held and enjoyed by the converting association, and  
1117 such federal association, as of the time of the taking effect of  
1118 such conversion, shall continue to have and succeed to all the  
1119 rights, obligations and relations of the converting association.  
1120 All pending actions and other judicial proceedings to which the  
1121 converting association is a party shall not be deemed to have  
1122 abated or to have discontinued by reason of such conversion, but  
1123 may be prosecuted to final judgment, order or decree in the same  
1124 manner as if such conversion into such federal association had not  
1125 been made and such federal association resulting from such  
1126 conversion may continue such action in its corporate name as a  
1127 federal association, and any judgment, order or decree may be  
1128 rendered for or against it which might have been rendered for or  
1129 against the converting association theretofore involved in such  
1130 judicial proceedings. Any association or corporation which has  
1131 heretofore converted itself into a federal association under the  
1132 provisions of the laws of the United States and has received a  
1133 charter from the appropriate federal regulatory authority shall  
1134 hereafter be recognized as a federal association, and its federal  
1135 charter shall be given full recognition by the courts of this  
1136 state to the same extent as if such conversion had taken place  
1137 under the provisions of this section; however, there shall have  
1138 been compliance with the foregoing requirements with respect to  
1139 the filing with the commissioner of a copy of the federal charter  
1140 or a certificate showing the organization of such association as a  
1141 federal association.

1142 SECTION 27. Section 81-12-55, Mississippi Code of 1972, is  
1143 reenacted as follows:

1144           81-12-55. At an annual meeting or at any special meeting of  
1145 the members or stockholders called to consider such action, any  
1146 federal mutual or capital stock savings association or federal  
1147 mutual or capital stock savings and loan association, hereinafter  
1148 in this subsection called "federal association," may apply for  
1149 conversion into a state-chartered association under this chapter  
1150 upon an affirmative vote of fifty-one percent (51%) or more of the  
1151 total number of votes of the members eligible to be cast or an  
1152 affirmative vote of sixty-six and two-thirds percent (66-2/3%) or  
1153 more of all the issued and outstanding stock of such federal  
1154 association. Upon such affirmative vote, the federal association  
1155 may apply for a certificate of authority by filing with the  
1156 commissioner a certificate signed by its president or secretary  
1157 which sets forth the corporate action herein prescribed and  
1158 asserts that the institution has complied with the provisions of  
1159 the laws of the United States. The federal association shall also  
1160 file with the commissioner the plan of conversion and the proposed  
1161 amendments to its articles of association as approved by the  
1162 members or stockholders for the operation of the association as a  
1163 state-chartered association. Upon receipt of such application,  
1164 the commissioner shall examine all facts associated with the  
1165 conversion. The expenses and costs incurred for such special  
1166 examination shall be paid by the institution applying for  
1167 permission to convert. The commissioner shall present his  
1168 findings and recommendations to the State Board of Banking Review  
1169 for consideration. Upon approval by the State Board of Banking  
1170 Review, the commissioner shall issue a certificate of authority to  
1171 the applicant allowing the conversion to proceed.

1172           SECTION 28. Section 81-12-57, Mississippi Code of 1972, is  
1173 reenacted as follows:

1174           81-12-57. If the board of directors determines, and the  
1175 commissioner concurs, that substantial business benefit to the  
1176 association will or may result, and if federal law, regulations or

1177 administrative rulings authorize federal associations to convert  
1178 to capital stock associations, the voting members of a mutual  
1179 association organized pursuant to this chapter, or otherwise  
1180 subject to the provisions of this chapter or a federal mutual  
1181 savings or savings and loan association (hereinafter in this  
1182 subsection referred to as a "federal association") located in this  
1183 state may vote to convert the association into a total or partial  
1184 capital stock association by adopting a plan of conversion which  
1185 is approved by the commissioner.

1186           (a) The plan of conversion must be approved at a  
1187 meeting of voting members called to consider such action by an  
1188 affirmative vote of fifty-one percent (51%) or more of the total  
1189 number of votes eligible to be cast. The commissioner may approve  
1190 or disapprove the plan of conversion in his discretion, but he  
1191 shall not approve the plan unless he finds that the plan is fair  
1192 and equitable to members of the association and that the interests  
1193 of the savings account holders and the public are adequately  
1194 protected. Notice of the meeting, giving the time, place and  
1195 purpose thereof, together with a proxy statement and proxy form  
1196 approved by the commissioner, covering all matters to be brought  
1197 before the meeting, shall be mailed at least thirty (30) days  
1198 prior thereto to the commissioner and to each voting member at his  
1199 last address as shown on the books of the association. The notice  
1200 shall advise the savings account holders of their right to the  
1201 public hearing provided in Section 81-12-59.

1202           (b) Copies of the minutes of the meeting of members,  
1203 verified by the affidavit of the secretary or assistant secretary  
1204 of the association, shall be filed in the office of the department  
1205 and with the appropriate federal regulatory authority within a  
1206 reasonable time after the meeting. When so filed, the verified  
1207 copies of the minutes are presumptive evidence of the holding of  
1208 the meeting and of the action taken. Any member or stockholder

1209 challenging the accuracy of such minutes by sworn objection may  
1210 appeal to the commissioner.

1211 (c) The directors of the association shall execute and  
1212 file with the supervisory authority proposed articles of  
1213 incorporation as provided for in Section 81-12-25, together with  
1214 an application for conversion and a firm commitment for, or  
1215 evidence of, insurance of deposits and other accounts of a  
1216 withdrawable type. The articles shall contain a statement that  
1217 the corporation resulted from the conversion of a mutual or  
1218 federal association to a capital stock association. If approved  
1219 by the commissioner, he shall affix the same to the articles of  
1220 incorporation. An authenticated copy of the articles of  
1221 incorporation shall be filed with the Secretary of State and one  
1222 (1) copy of the articles of incorporation and the certificate of  
1223 incorporation shall be returned to the association. The  
1224 association shall cease to be a mutual association at the time and  
1225 on the date specified in the approved articles of incorporation.

1226 (d) All the provisions regarding property and other  
1227 rights contained in Section 81-12-53 shall apply to the conversion  
1228 of a mutual or federal association to a capital stock association,  
1229 so that the capital stock association shall be a continuation of  
1230 the corporate entity of the mutual or federal association and  
1231 continue to have all of its property and rights.

1232 SECTION 29. Section 81-12-59, Mississippi Code of 1972, is  
1233 reenacted as follows:

1234 81-12-59. With respect to a conversion arising under Section  
1235 81-12-57 above, the commissioner may hold a hearing upon the plan  
1236 of conversion. A hearing may be held by the commissioner on his  
1237 own motion or upon application of the converting association or  
1238 any member thereof and shall be held upon application by the  
1239 holders of five percent (5%) or more in amount of the  
1240 association's savings accounts. All persons to whom it is  
1241 proposed to issue capital stock in connection with the conversion

1242 may appear at any hearing, and notice of the time and place of the  
1243 hearing shall be given to all such persons in person or by mail at  
1244 least thirty (30) days before the hearing by the association.  
1245 Evidence satisfactory to the commissioner that the notice has been  
1246 given shall be submitted to the commissioner at least ten (10)  
1247 days prior to the hearing. Following the hearing, the  
1248 commissioner may approve the terms of the plan of conversion, may  
1249 reject the same or approve the same upon condition that portions  
1250 thereof may be modified. All costs to the state resulting from  
1251 conversions under this section shall be paid by the association  
1252 making application for conversion.

1253 SECTION 30. Section 81-12-61, Mississippi Code of 1972, is  
1254 reenacted as follows:

1255 81-12-61. (1) A capital stock association organized under  
1256 this chapter may vote to convert itself into a federal mutual or  
1257 capital stock savings or savings and loan association, hereinafter  
1258 in this subsection referred to as a "federal association," at any  
1259 legal meeting called to consider the action. The required  
1260 affirmative vote to effect the conversion shall be not less than  
1261 sixty-six and two-thirds percent (66-2/3%) of the issued and  
1262 outstanding stock of such association. Notice of the meeting  
1263 giving the time, place and purpose thereof, together with a proxy  
1264 statement and proxy form covering all matters properly brought  
1265 before the meeting shall be mailed at least thirty (30) days prior  
1266 thereto to the commissioner and the appropriate federal regulatory  
1267 authority and to each stockholder at his last address as shown on  
1268 the books of the association. A copy of the minutes of the  
1269 proceedings of the meeting, verified by the affidavit of the  
1270 secretary or an assistant secretary of the association, shall be  
1271 filed in the office of the commissioner within ten (10) days after  
1272 the date of the meeting. When filed, a verified copy of the  
1273 proceedings of the meeting is presumptive evidence of the holding  
1274 of the meeting and of the action taken. Any stockholder

1275 challenging the accuracy of such minutes by sworn objection may  
1276 appeal to the commissioner. Within three (3) months after the  
1277 date of the meeting, the association shall take such further  
1278 action, in the manner prescribed and authorized by the laws of the  
1279 United States, as shall make it a federal association. Three (3)  
1280 copies of the charter issued by the appropriate federal regulatory  
1281 authority, or three (3) copies of a certificate showing the  
1282 organization of the association as a federal association,  
1283 certified by the secretary or an assistant secretary of the  
1284 appropriate federal regulatory authority shall be filed with the  
1285 commissioner. Upon the payment of the fees prescribed by law, the  
1286 commissioner shall note the filing upon each of the copies and  
1287 shall retain one (1) copy in his office, file one (1) copy with  
1288 the Secretary of State, and return one (1) copy to the  
1289 association. The failure to file the instruments with the  
1290 commissioner shall not affect the validity of the conversion.  
1291 Upon the grant to any association of a charter by the appropriate  
1292 federal regulatory authority, the association shall cease to be an  
1293 association incorporated under this chapter and shall no longer be  
1294 subject to the supervision and control of the department. All  
1295 provisions regarding property and other rights contained in  
1296 Section 81-12-53 above apply to the conversion of a capital stock  
1297 association into a federal association.

1298 (2) (a) The plan of conversion must provide:

1299 (i) That each savings account holder of the mutual  
1300 association will receive a withdrawable account in the capital  
1301 stock association equal in amount to his withdrawable account in  
1302 the mutual association;

1303 (ii) That each savings account holder of record as  
1304 provided in paragraph (iii) will be entitled to receive voting  
1305 stock or rights to purchase voting stock in equal proportion to  
1306 the amount his account bears to all savings accounts;



1307                   (iii) That the record date fixed by the  
1308 commissioner for determining savings account holders is to be  
1309 used. During the month of January each year the commissioner  
1310 shall publish a record date which shall be used in determining the  
1311 respective interests of account holders. The date shall be not  
1312 more than eighteen (18) months prior to its publication;

1313                   (iv) That the business purpose to be accomplished  
1314 by the conversion is set forth with particularity;

1315                   (v) Such other information in such form as  
1316 required by the commissioner to enable him to determine whether  
1317 the plan is fair and equitable to members of the association and  
1318 that the interest of the savings account holders and the public is  
1319 adequately protected.

1320                   (b) A plan of conversion will not be considered unfair  
1321 or inequitable merely because it contains provisions which  
1322 provide:

1323                   (i) That shares of stock will be issued to savings  
1324 account holders with or without cost;

1325                   (ii) That shares of stock will be issued with cost  
1326 to all savings account holders and that no stock will be issued  
1327 without cost;

1328                   (iii) That savings account holders will or will  
1329 not have preemptive rights to all stock proposed to be issued;

1330                   (iv) That those persons who were savings account  
1331 holders during a particular number of years have preemptive rights  
1332 to purchase voting stock at the fair market value thereof;

1333                   (v) That employment contracts are provided for  
1334 officers and employees of the association;

1335                   (vi) That no more than ten percent (10%) of the  
1336 voting stock proposed to be issued pursuant to the plan of  
1337 conversion is reserved by the association for stock options for  
1338 officers and employees.

1339 SECTION 31. Section 81-12-63, Mississippi Code of 1972, is  
1340 reenacted as follows:

1341 81-12-63. No conversion of an association or a federal  
1342 association, direct or indirect, shall be permitted, except as  
1343 specifically authorized by this chapter, Section 81-14-101 or  
1344 Section 81-5-85.

1345 SECTION 32. Section 81-12-65, Mississippi Code of 1972, is  
1346 reenacted as follows:

1347 81-12-65. Pursuant to a plan adopted by the board of  
1348 directors and approved by the commissioner as equitable to the  
1349 members of the association and as not impairing the usefulness and  
1350 success of other properly conducted associations in the community  
1351 and serving the needs of the community, an association shall have  
1352 power to reorganize or to merge or consolidate with another  
1353 association or federal association within its primary lending  
1354 area, provided that the plan of such reorganization, merger or  
1355 consolidation shall be approved at an annual meeting or at any  
1356 special meeting of the members or stockholders called to consider  
1357 such action by an affirmative vote of fifty-one percent (51%) or  
1358 more of the total number of votes of the members or an affirmative  
1359 vote of sixty-six and two-thirds percent (66-2/3%) of those shares  
1360 of stock of such association voted, in person or by proxy. Any  
1361 such plan must set forth (a) the names of the associations  
1362 proposing to merge or consolidate and the name of the association  
1363 into which they propose to merge or consolidate, which is herein  
1364 designated as "the surviving association"; (b) the terms and  
1365 conditions of the proposed merger or consolidation and the mode of  
1366 carrying it into effect; (c) the manner and basis of converting  
1367 the savings accounts of each merging or consolidating association  
1368 into savings accounts of the surviving association; (d) the manner  
1369 and basis of the cancellation and issuance of the capital stock of  
1370 the merging and surviving associations; (e) a statement of any  
1371 changes in the articles of incorporation of the surviving

1372 association to be effected by the merger or consolidation; (f) a  
1373 statement of the contracts pertaining to the employment, or the  
1374 retention as consultant, of officers and directors of the merged  
1375 or consolidated association; and (g) such other provisions with  
1376 respect to the proposed merger or consolidation as are deemed  
1377 necessary or desirable by the boards of directors or the  
1378 commissioner. In all cases the corporate continuity of the  
1379 resulting corporation shall possess the same incidents as that of  
1380 an association which has converted in accordance with this  
1381 chapter. No association, directly or indirectly, shall  
1382 reorganize, merge, consolidate, or acquire substantially all of  
1383 the assets of or assume substantially all of the liabilities of  
1384 any financial institution or any other organization, person or  
1385 entity, except as specifically authorized by this chapter. The  
1386 charter of any association which does not survive a  
1387 reorganization, merger or consolidation shall be surrendered to  
1388 the commissioner and the Secretary of State on the effective date  
1389 of such reorganization, merger, or consolidation and promptly  
1390 cancelled by him.

1391 SECTION 33. Section 81-12-66, Mississippi Code of 1972, is  
1392 reenacted as follows:

1393 81-12-66. (1) Notwithstanding any other provision of law,  
1394 any stock savings association may simultaneously with its  
1395 incorporation or conversion to a stock savings association provide  
1396 for its ownership by a holding company. In the case of a  
1397 conversion, members of the converting savings association shall  
1398 have the right to purchase capital stock of the holding company in  
1399 lieu of capital stock of the converted savings association in  
1400 accordance with Section 81-12-61, Mississippi Code of 1972.

1401 (2) Notwithstanding any other provision of law, any stock  
1402 savings association may reorganize its ownership to provide for  
1403 ownership by a holding company, upon adoption of a plan of  
1404 reorganization by a favorable vote of not less than two-thirds

1405 (2/3) of the members of the board of directors of the savings  
1406 association and approval of such plan of reorganization by the  
1407 holders of not less than a majority of the issued and outstanding  
1408 shares of stock of the savings association. The plan of  
1409 reorganization shall provide that (a) the resulting ownership  
1410 shall be vested in a Mississippi corporation; (b) all stockholders  
1411 of the stock savings association shall have the right to exchange  
1412 shares; (c) the exchange of stock shall not be subject to state or  
1413 federal income taxation; (d) stockholders not wishing to exchange  
1414 shares shall be entitled to dissenters' rights as provided under  
1415 Section 79-4-13.01 et seq., Mississippi Code of 1972; and (e) the  
1416 plan of reorganization is fair and equitable to all stockholders.

1417 SECTION 34. Section 81-12-67, Mississippi Code of 1972, is  
1418 reenacted as follows:

1419 81-12-67. (1) In any case in which a person or group of  
1420 persons propose to purchase or acquire voting stock of any capital  
1421 stock association, which purchase or acquisition would cause such  
1422 person or group of persons to have control, as defined in  
1423 subsection (3) of this section, of the association, such person or  
1424 group of persons shall first make application to the commissioner  
1425 for a certificate of approval of such purchase or acquisition.  
1426 The application shall contain the name and address of the proposed  
1427 new owner or owners of voting stock, and the commissioner shall  
1428 issue the certificate of approval only after he has become  
1429 satisfied, by a hearing or otherwise, that the proposed new owner  
1430 or owners of voting stock are qualified by character, experience  
1431 and financial responsibility to control the association in a legal  
1432 and proper manner and that the interest of the stockholders,  
1433 depositors and creditors of the association and the interest of  
1434 the public generally will not be jeopardized by the proposed  
1435 purchase or acquisition of voting stock.

1436 (2) As used in this section, unless the context otherwise  
1437 requires:

1438           (a) "Business organization" or "company" means any  
1439 corporation, partnership, trust, joint stock company or similar  
1440 organization, but does not include any company the majority of the  
1441 stock of which is owned by the United States or this state, by an  
1442 officer of the United States or this state in his official  
1443 capacity, or by an instrumentality of the United States or this  
1444 state.

1445           (b) "Savings and loan holding company" means any  
1446 company which directly or indirectly controls an association or  
1447 controls any other company which is a savings and loan holding  
1448 company by virtue of this section.

1449           (c) "Person" means an individual or company.

1450           (d) "Subsidiary" of a person means any company which is  
1451 controlled by such person or by a company which is a subsidiary of  
1452 such person by virtue of this section.

1453           (3) For purposes of this section, a business organization  
1454 shall be deemed to have control of an association or any other  
1455 business organization if the business organization:

1456           (a) Directly or indirectly, or acting in concert with  
1457 one or more persons or through one or more subsidiaries, owns,  
1458 controls, holds with powers to vote, or holds proxies  
1459 representing, more than twenty-five percent (25%) of the voting  
1460 stock of such association or other business organization;

1461           (b) Controls in any manner the election of a majority  
1462 of the directors of such association or other business  
1463 organization;

1464           (c) Exercises a controlling influence over the  
1465 management or policies of such association or other business  
1466 organization.

1467           (4) The following restrictions shall apply to ownership or  
1468 control of associations in this state:

1469           (a) Unless organized pursuant to the laws of this  
1470 state, and not controlled by a business organization organized

1471 under the laws of another jurisdiction, no business organization  
1472 shall either directly or indirectly control any association  
1473 located in this state.

1474 (b) No business organization shall acquire control of a  
1475 capital stock association located in this state without first  
1476 obtaining the prior written approval of the commissioner. Prior  
1477 to such acquisition, such business organization shall file an  
1478 application with the commissioner containing such information as  
1479 the commissioner may require and as will aid in determining that  
1480 the acquisition will not be detrimental to the public interest.

1481 (5) Each savings and loan holding company and each  
1482 subsidiary thereof shall file such reports as the commissioner may  
1483 require from time to time or as required by this chapter. Each  
1484 savings and loan holding company and each subsidiary thereof shall  
1485 be subject to such examination as the commissioner shall prescribe  
1486 or as required by this chapter. The cost of such examinations  
1487 shall be assessed against such holding company and paid to the  
1488 State Treasurer to the credit of the department.

1489 SECTION 35. Section 81-12-69, Mississippi Code of 1972, is  
1490 reenacted as follows:

1491 81-12-69. (1) Subject to the limitations of Section  
1492 81-12-65 of this chapter, any association may, at any special  
1493 meeting of the members or stockholders called to consider such  
1494 action, terminate its existence in accordance with the provisions  
1495 of this section upon an affirmative vote of fifty-one percent  
1496 (51%) or more of the total number of votes of members, in the case  
1497 of a mutual association, or an affirmative vote of sixty-six and  
1498 two-thirds percent (66-2/3%) of all the issued and outstanding  
1499 stock, in the case of a capital stock association.

1500 (2) Upon such vote, five (5) copies of a certificate of  
1501 dissolution, which shall state the vote cast in favor of  
1502 dissolution, shall be signed by two (2) officers and acknowledged  
1503 before an officer competent to take acknowledgments of deeds. Five

1504 (5) copies of such certificate shall be filed with the  
1505 commissioner, who shall examine such association, and, if he finds  
1506 that it is not in an impaired condition, shall so note, together  
1507 with his approval of such dissolution, upon all the copies of the  
1508 certificate of dissolution. The commissioner shall place a copy  
1509 in the permanent files in his office, file a copy with the  
1510 Secretary of State, and return the remaining copies to the parties  
1511 filing the same.

1512 (3) Upon such approval, the association shall be dissolved  
1513 and shall cease to carry on business but nevertheless shall  
1514 continue as a corporate entity for the sole purpose of paying,  
1515 satisfying and discharging existing liabilities and obligations,  
1516 collecting and distributing assets, and doing all acts required to  
1517 adjust, wind up and dissolve its business and affairs.

1518 (4) The board of directors shall act as trustees for  
1519 liquidation as provided in this section. They shall proceed as  
1520 quickly as may be practicable to wind up the affairs of the  
1521 association and, to the extent necessary or expedient to that end,  
1522 shall exercise all the powers of such dissolved association and,  
1523 without prejudice to the generality of such authority, may fill  
1524 vacancies, elect officers, carry out the contracts, make new  
1525 contracts, borrow money, mortgage or pledge the property, sell its  
1526 assets at public or private sale, or compromise claims in favor of  
1527 or against the association, apply assets to the discharge of  
1528 liabilities, distribute assets either in cash or in kind among  
1529 savings account members or savings account holders according to  
1530 their respective pro rata interests after paying or adequately  
1531 providing for the payment of other liabilities, distribute assets  
1532 either in cash or in kind among stockholders, and perform all acts  
1533 necessary or expedient to the winding up of the association.  
1534 Provided, however, that upon liquidation, savings account holders  
1535 shall be first paid the value of their accounts, if such funds are  
1536 available, before any sums are paid to the stockholders. All

1537 deeds or other instruments shall be in the name of the association  
1538 and executed by the president or a vice president and the  
1539 secretary or an assistant secretary. The board of directors shall  
1540 also have power to exchange or otherwise dispose of or to put in  
1541 trust all or substantially all or any part of the assets, upon  
1542 such terms and conditions and for such considerations, which may  
1543 be money, stock, bonds, shares or accounts of any insured  
1544 association, or of any federal association, or other instruments  
1545 for the payment of money, or other property, or other  
1546 considerations, as the board of directors may deem reasonable or  
1547 expedient, and may distribute such considerations or the proceeds  
1548 thereof, or trust receipts, or certificates of beneficial interest  
1549 among the savings account members or savings account holders in  
1550 proportion to their pro rata interests therein.

1551 (5) The association, during the liquidation of the assets of  
1552 the association by the board of directors, shall continue to be  
1553 subject to the supervision of the commissioner, and the board of  
1554 directors shall report the progress of such liquidation to the  
1555 commissioner from time to time as he may require. Upon completion  
1556 of liquidation, the board of directors shall file with the  
1557 commissioner a final report and accounting of such liquidation and  
1558 shall surrender the charter of the association. If such report is  
1559 approved, the commissioner shall promptly cancel said charter.  
1560 The approval of such report by the commissioner shall operate as a  
1561 discharge of the board of directors and each member thereof in  
1562 connection with the liquidation of such association. No such  
1563 dissolution or any action of the board of directors in connection  
1564 therewith shall impair any contract right between such association  
1565 and any borrower or other person or persons or the vested rights  
1566 of any member or savings account holder of such association.

1567 SECTION 36. Section 81-12-71, Mississippi Code of 1972, is  
1568 reenacted as follows:



1569           81-12-71. (1) An annual meeting of the members of each  
1570 mutual association shall be held as fixed in the bylaws of such  
1571 association. Special meetings may be called as provided in the  
1572 bylaws.

1573           (2) The members who shall be entitled to vote at any meeting  
1574 of the members shall be those who are members of record at the end  
1575 of the calendar month next preceding the date of the meeting of  
1576 members, except those who have ceased to be members. The number  
1577 of votes which members shall be entitled to cast shall be in  
1578 accordance with the books on the said date determinative of  
1579 entitlement to vote.

1580           (3) In the determination of all questions requiring action  
1581 by the members, each member shall be entitled to cast one (1)  
1582 vote, plus an additional vote for each One Hundred Dollars  
1583 (\$100.00) or fraction thereof of the withdrawal value of savings  
1584 accounts, if any, held by such member. No member, however, shall  
1585 cast more than four hundred (400) votes.

1586           (4) Voting by proxy at a meeting shall be permitted as set  
1587 forth in the bylaws of the association. Constitution of a quorum  
1588 shall be set forth in the bylaws of the association.

1589           SECTION 37. Section 81-12-73, Mississippi Code of 1972, is  
1590 reenacted as follows:

1591           81-12-73. (1) An annual meeting of stockholders of capital  
1592 stock associations shall be held as fixed in the bylaws of the  
1593 association. Whenever the provisions of this chapter, the  
1594 articles of incorporation, or the bylaws require or authorize the  
1595 stockholders to take any action at an annual or special meeting, a  
1596 notice of such meeting, signed by the secretary or other officer  
1597 permitted by the bylaws, shall be mailed to each stockholder  
1598 entitled to vote at such meeting, at his address as it appears on  
1599 the records of the corporation, not less than ten (10) nor more  
1600 than sixty (60) days before the date set for such meeting. The  
1601 articles of incorporation or bylaws may require that such notice

1602 also be published in one or more newspapers. The notice shall  
1603 state the purpose of the meeting, a general statement of the  
1604 business to be transacted, and the time and place it is to be  
1605 held. Such notice shall be sufficient for said meeting and any  
1606 adjournment thereof unless otherwise provided in the articles of  
1607 incorporation or bylaws. If any stockholder shall transfer any of  
1608 his stock after notice, it shall not be necessary to notify the  
1609 transferee. Such meetings shall be held within the state and  
1610 within the county in which the home office of the association is  
1611 located. Any stockholder may waive notice of any meeting either  
1612 before, at or after the meeting.

1613 (2) Unless otherwise provided in the articles of  
1614 incorporation, every such stockholder shall be entitled at such  
1615 meeting, and upon each proposal presented at such meeting, to one  
1616 (1) vote for each share of voting stock recorded in his name on  
1617 the books of the corporation on the record date fixed as above  
1618 provided or, if no such record date was fixed, on the day of  
1619 meeting. The books of record of stockholders shall be produced at  
1620 any stockholders' meeting upon the request of any stockholder.

1621 (3) The stockholders record date and voting by proxy at any  
1622 meeting shall be established and permitted, respectively, as set  
1623 forth in the bylaws of the association. Constitution of a quorum  
1624 shall be set forth in the bylaws of the association.

1625 SECTION 38. Section 81-12-75, Mississippi Code of 1972, is  
1626 reenacted as follows:

1627 81-12-75. An association shall not directly or indirectly  
1628 charge any membership, admission, withdrawal or any other fee or  
1629 sum of money for the privilege of becoming, remaining or ceasing  
1630 to be a member or savings account holder of the association.

1631 SECTION 39. Section 81-12-77, Mississippi Code of 1972, is  
1632 reenacted as follows:

1633 81-12-77. (1) Every member, savings account holder or  
1634 borrower shall have the right to inspect the books and records of

1635 an association as pertain to his loan or savings account.  
1636 Otherwise, the right of inspection and examination of the books  
1637 and records shall be limited (a) to the commissioner or his duly  
1638 authorized representatives as provided in this chapter, (b) to  
1639 persons duly authorized to act for the association, (c) officers  
1640 and directors of the association, and (d) to any federal or state  
1641 instrumentality or agency authorized to inspect or examine the  
1642 books and records of an insured association. The books and  
1643 records pertaining to the accounts and loans of members, savings  
1644 account holders, and borrowers shall be kept confidential by the  
1645 association, its directors, officers and employees, and by the  
1646 commissioner, his examiners and representatives, except where the  
1647 disclosure thereof shall be compelled by a court of competent  
1648 jurisdiction, and no member or any other person shall have access  
1649 to the books and records or shall be furnished or shall possess a  
1650 partial or complete list of the members, savings account holders,  
1651 or borrowers except upon express action and authority of the board  
1652 of directors. This shall in no way be construed to prevent the  
1653 commissioner from performing his duties under this chapter in any  
1654 form permitted by law.

1655 (2) In the event, however, that any member or members desire  
1656 to communicate with the other members of the association with  
1657 reference to any question pending or to be presented for  
1658 consideration at a meeting of the members, the association shall  
1659 furnish upon request a statement of the approximate number of  
1660 members of the association at the time of such request, and an  
1661 estimate of the cost of forwarding such communication. The  
1662 requesting member or members shall then submit the communication,  
1663 together with a sworn statement that the proposed communication is  
1664 not for any reason other than the business welfare of the  
1665 association, to the commissioner who, if he finds it to be  
1666 appropriate, truthful and in the best interests of the association  
1667 and its members, shall execute a certificate setting out such

1668 findings, forward the certificate together with the communication,  
1669 which may be sealed and its contents protected, to the  
1670 association, and direct that the communication be prepared and  
1671 mailed by the association to the members upon the requesting  
1672 member's or members' payment to it of the expense of such  
1673 preparation and mailing. If the commissioner finds such proposed  
1674 communication to be inappropriate, untruthful or contrary to the  
1675 best interests of the association and its members, he shall have  
1676 the discretion to make any disposition of the request to  
1677 communicate which he deems proper and he shall execute a  
1678 certificate setting out such findings and deliver it to the  
1679 requesting member together with his order making disposition of  
1680 the request.

1681 SECTION 40. Section 81-12-79, Mississippi Code of 1972, is  
1682 reenacted as follows:

1683 81-12-79. The commissioner shall call upon each association  
1684 for the reports required in this section. Such calls shall be  
1685 made by the commissioner in writing by letter or other similar  
1686 means of written communications for the same dates and as often as  
1687 calls are issued by the appropriate federal regulating authority  
1688 for reports from federal associations. The commissioner shall  
1689 prescribe the forms for such reports. The reports shall be sworn  
1690 to by either the president, vice-president or cashier of the  
1691 association making them, attested by not less than two (2) of the  
1692 board of directors, and shall exhibit in detail, under appropriate  
1693 heads, the total resources and total liabilities of the  
1694 association on the day specified by the commissioner.

1695 Associations shall transmit to the department such call reports  
1696 within a time limitation established by regulation by the  
1697 commissioner; however, such time limitation cannot exceed that set  
1698 by the Federal Deposit Insurance Corporation for state insured  
1699 associations. For any failure or delay in furnishing this report,  
1700 the president, vice-president or cashier of any such association,

1701 so in default, and the members of the board of directors of the  
1702 association refusing to attest the report, shall be subject to an  
1703 administrative fine, which may be imposed by the commissioner, of  
1704 Fifty Dollars (\$50.00) a day for each day while in such default.

1705 SECTION 41. Section 81-12-81, Mississippi Code of 1972, is  
1706 reenacted as follows:

1707 81-12-81. (1) The business of the mutual association shall  
1708 be directed by a board of directors of not less than five (5) nor  
1709 more than fifteen (15) as determined by, and elected by, ballot  
1710 from among the members by a plurality of the votes of the members  
1711 present or voting by proxy. At all times at least two-thirds  
1712 (2/3) of the directors shall be bona fide residents of this state.

1713 (2) In order to qualify as a director, a member of an  
1714 association must hold individually, or jointly with his spouse, a  
1715 savings account, the withdrawal value of which is at least Five  
1716 Hundred Dollars (\$500.00); provided that if the assets of the  
1717 association exceed Five Million Dollars (\$5,000,000.00), the  
1718 withdrawal value of such account must be at least One Thousand  
1719 Dollars (\$1,000.00). No member shall be eligible for election or  
1720 shall serve as a director or officer of an association who has  
1721 been convicted of a criminal offense involving dishonesty or a  
1722 breach of trust. A director shall cease to be a director when he  
1723 ceases to be a member, or when he is adjudicated a bankrupt or is  
1724 convicted of a criminal offense as herein provided, or when the  
1725 net equity above loans of all savings accounts in the association  
1726 held by him aggregates for a period of thirty (30) consecutive  
1727 days less than the minimum required to be eligible for election as  
1728 a director, but no action of the board of directors shall be  
1729 invalidated through the participation of such director in such  
1730 action unless the vote of such director be challenged prior to  
1731 such action; provided that if a director becomes ineligible under  
1732 the terms of this subsection by reason of the exercise by the  
1733 association of the right of redemption of savings accounts

1734 provided for in Section 81-12-153 he shall remain validly in  
1735 office until the expiration of his term or until he otherwise  
1736 becomes ineligible, resigns or is removed, whichever may occur  
1737 first.

1738 (3) Directors shall be classified as set forth in the bylaws  
1739 of the association.

1740 (4) The authorized number of directors determined by the  
1741 members within the limits hereinabove specified may subsequently  
1742 be increased or decreased only by vote of the members.

1743 (5) Each director, upon assuming office, shall take an oath  
1744 that he will, so far as the duty devolves on him, diligently and  
1745 honestly administer the affairs of the association and will not  
1746 knowingly violate or permit to be violated, any of the provisions  
1747 of this chapter, and a written copy of such oath shall be filed  
1748 with the commissioner.

1749 (6) If the members fail to elect a director to fill each  
1750 vacancy created by any such increase, the directors may fill such  
1751 vacancy by electing a director to serve until the next annual  
1752 meeting of the members, at which time a director shall be elected  
1753 to fill the vacancy for the unexpired term of the class of  
1754 director in which such vacancy exists.

1755 (7) Whenever under the provisions hereof the number of  
1756 directors is changed and vacancies caused by such change are  
1757 filled, the directors so elected shall be classified in accordance  
1758 with the provisions of the bylaws of the association.

1759 (8) Any vacancy among directors, not so filled by the  
1760 members, may be filled by a majority vote of the remaining  
1761 directors, though less than a quorum, by electing a director to  
1762 serve until the next annual meeting of the members, at which time  
1763 a director shall be elected to fill the vacancy for the unexpired  
1764 term for the class of director in which such vacancy exists. In  
1765 event of a vacancy on the board of directors from any cause, the  
1766 remaining directors shall have full power and authority to

1767 continue direction of the association until such vacancy is  
1768 filled.

1769 SECTION 42. Section 81-12-83, Mississippi Code of 1972, is  
1770 reenacted as follows:

1771 81-12-83. (1) The business of a capital stock association  
1772 shall be managed and its powers exercised by a board of directors.  
1773 The board shall consist of not less than five (5) adult natural  
1774 persons who shall be elected at the annual meeting of stockholders  
1775 in the following manner:

1776 At each election for directors every shareholder entitled to  
1777 vote at such election shall have the right to vote, in person or  
1778 by proxy, the number of shares owned by him for as many persons as  
1779 there are directors to be elected and for whose election he has a  
1780 right to vote.

1781 (2) The term of office of the directors shall be for one (1)  
1782 year; provided that when the board of directors shall consist of  
1783 nine (9) or more members, in lieu of electing the whole number of  
1784 directors annually, the articles of incorporation may provide that  
1785 the directors be divided into either two (2) or three (3) classes,  
1786 each class to be as nearly equal in number as possible, the term  
1787 of office of directors of the first class to expire at the first  
1788 annual meeting of the shareholders after their election; that of  
1789 the second class to expire at the second annual meeting after  
1790 their election; and that of the third class, if any, to expire at  
1791 the third annual meeting after their election. At each annual  
1792 meeting after such classification, the number of directors equal  
1793 to the number of the class whose term expires at the time of such  
1794 meeting shall be elected to hold office until the second  
1795 succeeding annual meeting, if there be two (2) classes, or until  
1796 the third succeeding annual meeting, if there be three (3)  
1797 classes. No classification of directors shall be effective prior  
1798 to the first annual meeting of shareholders.

1799           (3) Every director must, during his whole term of service,  
1800 be a citizen of the United States, and at least three-fifths (3/5)  
1801 of the directors must have resided in this state for at least one  
1802 (1) year preceding their election and must be residents therein  
1803 during their continuance in office. No person shall be eligible  
1804 for election or shall serve as a director or officer of a capital  
1805 stock association who has been convicted of a criminal offense. A  
1806 director or officer shall automatically cease to be a director  
1807 when he is adjudicated a bankrupt or convicted of a criminal  
1808 offense. However, no action of the board of directors shall be  
1809 invalidated through the participation of such director in such  
1810 action unless challenge is made to such director's vote prior to  
1811 such action. Each director shall, in his own name, own capital  
1812 stock in, or have a deposit relationship with, the association on  
1813 an unencumbered basis as follows:

1814           (a) For stock associations under Fifty Million Dollars  
1815 (\$50,000,000.00) in assets, stock ownership in the institution or  
1816 its holding company of Two Thousand Five Hundred Dollars  
1817 (\$2,500.00) in market value at time of purchase; or

1818           (b) For mutual associations under Fifty Million Dollars  
1819 (\$50,000,000.00) in assets, a Two Thousand Five Hundred Dollar  
1820 (\$2,500.00) deposit relationship; or

1821           (c) For stock associations over Fifty Million Dollars  
1822 (\$50,000,000.00) in assets, stock ownership in the institution or  
1823 its holding company of Five Thousand Dollars (\$5,000.00) in market  
1824 value at the time of purchase; or

1825           (d) For mutual associations over Fifty Million Dollars  
1826 (\$50,000,000.00) in assets a Five Thousand Dollar (\$5,000.00)  
1827 deposit relationship.

1828           For associations that cross the Fifty Million Dollar  
1829 (\$50,000,000.00) threshold, the commissioner shall allow a  
1830 reasonable period for the directors to comply with the ownership  
1831 interest requirement.



1832           (4) Each director, upon assuming office, shall take an oath  
1833 that he will, so far as the duty devolves on him, diligently and  
1834 honestly administer the affairs of such capital stock association  
1835 and will not knowingly violate or permit to be violated, any of  
1836 the provisions of this chapter, and a written copy of such oath  
1837 shall be filed with the commissioner.

1838           (5) The board of directors of each capital stock association  
1839 shall hold meetings as set forth in the bylaws of the association.

1840           (6) Vacancies on the board of directors may be filled at a  
1841 meeting by the stockholders called for that purpose.

1842           SECTION 43. Section 81-12-85, Mississippi Code of 1972, is  
1843 reenacted as follows:

1844           81-12-85. Each association shall provide and maintain a  
1845 fidelity bond covering its officers, attorneys, employees, agents  
1846 and directors when performing the duties of officers or employees,  
1847 in the form and amount required by the commissioner, but in no  
1848 event less than One Hundred Thousand Dollars (\$100,000.00). No  
1849 bond coverage will be required of any agent which is a financial  
1850 institution insured by the Federal Deposit Insurance Corporation.  
1851 Such bonds shall provide that a cancellation thereof either by the  
1852 surety or by the insured shall not become effective unless and  
1853 until thirty (30) days' notice in writing first shall have been  
1854 given to the commissioner, unless he shall have approved such  
1855 cancellation earlier.

1856           SECTION 44. Section 81-12-87, Mississippi Code of 1972, is  
1857 reenacted as follows:

1858           81-12-87. Directors and officers occupy a fiduciary  
1859 relationship to the association of which they are directors or  
1860 officers, and no director or officer shall engage or participate,  
1861 directly or indirectly, in any business or transaction conducted  
1862 on behalf of or involving the association, which would result in a  
1863 conflict of his own personal interests with those of the  
1864 association which he serves. Without limitation by any of the

1865 specific provisions of any of the subsections hereof, the  
1866 commissioner may require the disclosure by directors, officers and  
1867 employees of any personal interest, directly or indirectly, in any  
1868 business or transactions on behalf of or involving the association  
1869 and of their control of or active participation in enterprises  
1870 having activities related to the business of the association. The  
1871 following restrictions governing the conduct of directors and  
1872 officers expressly are specified, but such specification is not to  
1873 be construed in any manner as excusing such persons from the  
1874 observance of any other aspect of the general fiduciary duty owed  
1875 by them to the association which they serve:

1876           (a) From and after January 1, 1979, no officer or  
1877 director of an association shall hold office as a director or  
1878 officer of another thrift institution the principal office of  
1879 which is located in the association's primary lending area.

1880           (b) No director of an association shall receive  
1881 remuneration as director except reasonable fees for service as a  
1882 director or for service as a member of a committee of directors,  
1883 except that nothing herein contained shall be deemed to prohibit  
1884 or in any way to limit any right of a director who is also an  
1885 officer or employee of or attorney for the association to receive  
1886 compensation for service as an officer, employee or attorney.

1887           (c) Loans aggregating fifteen percent (15%) of the  
1888 unimpaired capital and unimpaired surplus may be made by any  
1889 association to any director or executive officer thereof, as  
1890 defined in Regulation O promulgated by the Board of Governors of  
1891 the Federal Reserve System, less existing direct and indirect  
1892 liabilities thereto, upon affirmative approval of a majority of  
1893 all directors spread on the minutes of a directors' meeting held  
1894 before such loan is made, provided, such loan is made on  
1895 substantially the same terms and conditions extended to other  
1896 borrowers for comparable transactions. Any association may lend  
1897 to any such director or executive officer thereof, upon

1898 affirmative approval of a majority of all directors spread on the  
1899 minutes of a directors' meeting held before such loan is made, not  
1900 more than twenty percent (20%) of the unimpaired capital and  
1901 unimpaired surplus of the association, less the amount of existing  
1902 direct and indirect liabilities, when secured; or when the portion  
1903 thereof in excess of any amount loaned under the first provision  
1904 hereof is secured by obligations of the United States Government,  
1905 the State of Mississippi, and the levee districts, counties, road  
1906 districts, school districts, and municipalities of the State of  
1907 Mississippi, obligations of any other state of the United States  
1908 and other bonds of recognized character and standing, which are  
1909 the subject of daily newspaper market quotations, provided such  
1910 loan shall not exceed eighty percent (80%) of the market or par  
1911 value (whichever is less) of the bonds or obligations offered as  
1912 security. Any association may lend to any executive officer or  
1913 director thereof upon affirmative approval of a majority of all  
1914 directors spread on the minutes of a directors' meeting held  
1915 before such loan is made, such amount as is safe and proper, when  
1916 secured by warehouse receipts or shippers' order bills of lading  
1917 representing actual existing values, provided the amount loaned  
1918 shall not exceed eighty percent (80%) of the market value of the  
1919 commodities representing the actual existing values, and loans of  
1920 this nature shall be made payable on demand so that the security  
1921 held therefor may be sold on any date and the proceeds thereof  
1922 applied to the payment of the loan. However, an association's  
1923 board of directors may, as shown in its minutes, give to an  
1924 association officer the authority to make secured or unsecured  
1925 loans to an executive officer or director of such association,  
1926 without receiving the board's prior approval, in an amount that,  
1927 when aggregated with the amount of all other extensions of credit  
1928 to that person and to all related interests of that person, does  
1929 not exceed the greater of Twenty-five Thousand Dollars

1930 (\$25,000.00) or five percent (5%) of the associations's unimpaired  
1931 capital and unimpaired surplus.

1932           However, no association shall extend credit to any director  
1933 or executive officer thereof, in an amount that, when aggregated  
1934 with all other extensions of credit to that person and to all  
1935 related interests of that person, exceeds Five Hundred Thousand  
1936 Dollars (\$500,000.00) without documented prior affirmative  
1937 approval of a majority of its directors.

1938           Loans and discounts by an association to a director or  
1939 executive officer thereof secured in full by funds on deposit in  
1940 time or savings accounts with the lending association to the  
1941 credit of the borrower shall not be restricted to the fifteen  
1942 percent (15%) or twenty percent (20%) limitations herein  
1943 prescribed.

1944           The limitations of this section shall not apply where an  
1945 executive officer or director shall bona fide purchase from the  
1946 association at a reasonable price real or personal property  
1947 acquired by the association in payment of debts due the  
1948 association, provided such transactions are approved by a majority  
1949 of the board of directors, such approval to be shown in their  
1950 minutes; and, in cases where loans are made by branch offices, the  
1951 sum total of loans made by any branch or branches and its parent  
1952 association to such executive officer or director shall be  
1953 computed as against the total capital stock and surplus of the  
1954 parent association and its branch or branches. Loans heretofore  
1955 made to executive officers or directors may be renewed or extended  
1956 if in accord with sound banking practice.

1957           (d) No director or officer shall have any interest,  
1958 directly or indirectly, in the proceeds of a loan or investment or  
1959 of a purchase or sale made by the association, unless such loan,  
1960 investment, purchase or sale is authorized expressly by resolution  
1961 of the board of directors, and unless such resolution is approved  
1962 by vote of at least two-thirds (2/3) of the directors authorized

1963 by the association, any interested director taking no part in such  
1964 vote.

1965 (e) No director or officer shall have any interest,  
1966 directly or indirectly, in the purchase at less than its face  
1967 value of any evidence of a savings account, deposit or other  
1968 indebtedness issued by the association.

1969 (f) No director, association or officer thereof shall  
1970 require, as a condition to the granting of any loan or the  
1971 extension of any other service by the association, that the  
1972 borrower or any other person undertake a contract of insurance or  
1973 any other agreement, or understanding with respect to the  
1974 furnishing of any other goods or services, with any specific  
1975 company, agency or individual.

1976 (g) No officer or director acting as proxy for a member  
1977 or stockholder of record of an association shall exercise,  
1978 transfer or delegate such vote or votes in any consideration of a  
1979 private benefit or advantage, direct or indirect, accruing to  
1980 himself, nor shall he surrender control or pass his office to any  
1981 other for any consideration of a private benefit or advantage,  
1982 direct or indirect. The voting rights of members, stockholders  
1983 and directors shall not be subject to sale, barter, exchange or  
1984 similar transaction, either directly or indirectly. Any officer  
1985 or director who violates the provisions of this section shall be  
1986 held accountable to the association for any increment and subject  
1987 to the criminal penalty below.

1988 (h) No director or officer shall solicit, accept or  
1989 agree to accept, directly or indirectly, from any person other  
1990 than the association any gratuity, compensation or other personal  
1991 benefit for any action taken by the association or for endeavoring  
1992 to procure any such action.

1993 (i) Any violation of the provisions of this section  
1994 shall be punishable by not more than five (5) years' imprisonment  
1995 or a fine of not more than Five Thousand Dollars (\$5,000.00).

1996 SECTION 45. Section 81-12-89, Mississippi Code of 1972, is  
1997 reenacted as follows:

1998 81-12-89. No association shall deposit any of its funds,  
1999 except with a depository approved by a vote of a majority of the  
2000 directors authorized by the association, any director who is an  
2001 officer, partner, director, or trustee of the depository so  
2002 designated taking no part in such vote.

2003 SECTION 46. Section 81-12-91, Mississippi Code of 1972, is  
2004 reenacted as follows:

2005 81-12-91. Any person may be indemnified or reimbursed by the  
2006 association for reasonable expenses, including, but not limited  
2007 to, attorney's fees actually incurred by him in connection with  
2008 any action, suit or proceeding, instituted or threatened, judicial  
2009 or administrative, civil or criminal, to which he is made a party  
2010 by reason of his being or having been a director, officer or  
2011 employee of an association; however, no person shall be so  
2012 indemnified or reimbursed, nor shall he retain any advancement or  
2013 allowance for indemnification which may have been made by the  
2014 association in advance of final disposition, in relation to such  
2015 action, suit or proceeding in which and to the extent that he  
2016 finally shall be adjudicated to have been guilty of a breach of  
2017 good faith, to have been negligent in the performance of his  
2018 duties or to have committed an action or failed to perform a duty  
2019 for which there is a common law or a statutory liability. In  
2020 addition, a person may, with the approval of the commissioner, be  
2021 so indemnified or reimbursed for:

2022 (a) Amounts paid in compromise or settlement of any  
2023 action, suit or proceeding, including reasonable expenses incurred  
2024 in connection therewith; or

2025 (b) Reasonable expenses, including fines and penalties,  
2026 incurred in connection with a criminal or civil action, suit or  
2027 proceeding in which such person has been adjudicated guilty,  
2028 negligent or liable, if it shall be determined by the board of

2029 directors and the commissioner that such person was acting in good  
2030 faith and in what he believed to be the best interests of the  
2031 association and without knowledge that the action was illegal and  
2032 if such indemnification or reimbursement is approved at an annual  
2033 or special meeting of the members or stockholders by a majority of  
2034 the votes eligible to be cast. Amounts paid to the association,  
2035 whether pursuant to judgment or settlement by any person within  
2036 the meaning of this section, shall not be indemnified or  
2037 reimbursed in any case.

2038 SECTION 47. Section 81-12-93, Mississippi Code of 1972, is  
2039 reenacted as follows:

2040 81-12-93. No association shall make any management contract  
2041 with any person or persons extending for more than three (3)  
2042 years. Contracts in excess of one (1) year shall first be  
2043 approved by the commissioner. No such contract shall permit an  
2044 association to be managed on a commission basis.

2045 SECTION 48. Section 81-12-95, Mississippi Code of 1972, is  
2046 reenacted as follows:

2047 81-12-95. Every association shall keep at the home office  
2048 correct and complete minutes of the proceedings and meetings of  
2049 members, stockholders, directors and the executive committee.  
2050 Complete records of all business transacted at the home office  
2051 shall be maintained at the home office, and control records of all  
2052 business transacted at each branch office or agency shall be  
2053 maintained at the home office, except as permitted below.  
2054 However, any state savings association may cause any or all  
2055 records at any time in its custody to be reproduced in a format of  
2056 storage commonly used, whether electronic, imaged, magnetic,  
2057 microphotographic, or otherwise, and any reproduction so made  
2058 shall have the same force and effect as the original thereof and  
2059 be admitted in evidence equally with the original.

2060 SECTION 49. Section 81-12-97, Mississippi Code of 1972, is  
2061 reenacted as follows:

2062           81-12-97. (1) Each branch office shall keep detailed  
2063 records of all transactions at such branch office and shall  
2064 furnish full control records to the home office, except as  
2065 permitted below.

2066           (2) Each agent of an association shall keep an original  
2067 record of each transaction of business of the association and  
2068 shall report promptly to the home office. Complete detailed  
2069 permanent records of such transactions are not required to be  
2070 maintained at such agency.

2071           SECTION 50. Section 81-12-99, Mississippi Code of 1972, is  
2072 reenacted as follows:

2073           81-12-99. An association which determines to maintain any of  
2074 its records by means of data processing services shall so notify  
2075 the commissioner, in writing, at least ninety (90) days prior to  
2076 the date on which such maintenance of records will begin. Such  
2077 notification shall include identification of the records to be  
2078 maintained by data processing services and a statement as to the  
2079 location at which such records will be maintained. Any contract,  
2080 agreement or arrangement made by an association pursuant to which  
2081 data processing services are to be performed for such association  
2082 shall be in writing and shall expressly provide that the records  
2083 to be maintained by such services shall at all times be available  
2084 for examination and audit.

2085           SECTION 51. Section 81-12-101, Mississippi Code of 1972, is  
2086 reenacted as follows:

2087           81-12-101. (1) Every association shall use such forms and  
2088 observe such accounting principles and practices as the  
2089 commissioner may require from time to time.

2090           (2) Every association shall close its books annually.

2091           (3) No association by any system of accounting or any device  
2092 of bookkeeping shall, either directly or indirectly, enter any of  
2093 its assets upon its books in the name of any other person,



2094 partnership, association or corporation or under any title or  
2095 designation that is not truly descriptive of such assets.

2096 SECTION 52. Section 81-12-103, Mississippi Code of 1972, is  
2097 reenacted as follows:

2098 81-12-103. The commissioner, after a determination of value  
2099 made in accordance with Section 81-12-177(8), may order that  
2100 assets, individually or in the aggregate, to the extent that such  
2101 assets are overvalued on an association's books, be charged off,  
2102 or that a special reserve or reserves equal to such overvaluation  
2103 be set up by transfers from undivided profits or reserves.

2104 SECTION 53. Section 81-12-105, Mississippi Code of 1972, is  
2105 reenacted as follows:

2106 81-12-105. (1) An association shall not carry any real  
2107 estate on its books at a sum in excess of the total amount  
2108 invested by such association on account of such real estate,  
2109 including advances, costs, and improvements but excluding accrued  
2110 but uncollected interest.

2111 (2) Every association shall have appraised each parcel of  
2112 real estate immediately following acquisition thereof. The report  
2113 of each such appraisal shall be submitted in writing to the board  
2114 of directors and shall be kept in the records of the association.  
2115 In addition to his powers under Section 81-12-177(8) of this  
2116 chapter, the commissioner may require the appraisal of real estate  
2117 securing loans which are delinquent more than four (4) months.

2118 SECTION 54. Section 81-12-107, Mississippi Code of 1972, is  
2119 reenacted as follows:

2120 81-12-107. Every association shall maintain complete loan  
2121 and investment records in a manner prescribed by the commissioner.  
2122 Detailed records necessary to make determinations of compliance by  
2123 an association with the investment, liquidity, loan and other  
2124 provisions of this chapter shall be maintained consistently and at  
2125 all times, the record of each real estate loan or other secured  
2126 loan or investment containing documentation to the satisfaction of

2127 the commissioner of the type, adequacy and completion of the  
2128 security.

2129 SECTION 55. Section 81-12-109, Mississippi Code of 1972, is  
2130 reenacted as follows:

2131 81-12-109. Every association shall maintain membership and  
2132 stockholder records, which shall show the name and address of the  
2133 member or stockholder, the status of the member as a savings  
2134 account holder, or an obligor, or a savings account holder and  
2135 obligor, and the date of membership or ownership of stock. In the  
2136 case of members holding a savings account the association shall  
2137 obtain a savings account contract containing the signature of each  
2138 holder of such account or his duly authorized representative, and  
2139 shall preserve such contract in the records of the association.

2140 SECTION 56. Section 81-12-111, Mississippi Code of 1972, is  
2141 reenacted as follows:

2142 81-12-111. Any association may cause any or all records kept  
2143 by such association to be copied or reproduced by any photostatic,  
2144 photographic or microfilming process which correctly and  
2145 permanently copies, reproduces or forms a medium for copying or  
2146 reproducing the original record on a film or other durable  
2147 material, and such association may thereafter dispose of the  
2148 original record. Any such copy or reproduction shall be deemed to  
2149 be an original record for all purposes and shall be treated as an  
2150 original record in all courts or administrative agencies for the  
2151 purpose of its admissibility in evidence. A facsimile,  
2152 exemplification or certified copy of any such copy or reproduction  
2153 reproduced from a film record shall, for all purposes, be deemed a  
2154 facsimile, exemplification or certified copy of the original  
2155 record.

2156 SECTION 57. Section 81-12-113, Mississippi Code of 1972, is  
2157 reenacted as follows:

2158 81-12-113. Every association shall set up and maintain the  
2159 reserves required by the board and may set up and maintain such

2160 additional reserves as are permitted by this chapter. The  
2161 commissioner shall fix the amount of each association's separate  
2162 reserve account to be set up and maintained for the sole purpose  
2163 of absorbing losses (termed in this chapter "general reserve"),  
2164 but in no event shall such amount of such general reserve be less  
2165 than the amount required by the Federal Deposit Insurance  
2166 Corporation. Transfers to general reserve shall be made at such  
2167 time or times as set by the commissioner.

2168 SECTION 58. Section 81-12-115, Mississippi Code of 1972, is  
2169 reenacted as follows:

2170 81-12-115. The savings liability of an association is not  
2171 limited, but shall consist only of the aggregate amount of savings  
2172 accounts of its members or savings account holders, plus earnings  
2173 credited to such accounts, less redemption and withdrawal  
2174 payments. Except as limited by the board of directors from time  
2175 to time, a member or savings account holder may make additions to  
2176 his savings accounts in such amounts and at such times as he may  
2177 elect. The members or savings account holders of an association  
2178 shall not be responsible for any losses which its savings  
2179 liability shall not be sufficient to satisfy, and savings accounts  
2180 shall not be subject to assessment. Earnings shall be declared in  
2181 accordance with the provisions of this chapter. Except as  
2182 provided in Section 81-12-153, no association shall prefer one (1)  
2183 of its savings accounts over any other savings account as to the  
2184 right to participate in earnings. No preference between savings  
2185 account members or savings account holders shall be created with  
2186 respect to the distribution of assets upon voluntary or  
2187 involuntary liquidation, dissolution or winding up of an  
2188 association. No association shall issue, sell, negotiate or  
2189 advertise any type of savings account or debt security, except as  
2190 authorized by this chapter, nor shall it contract with respect to  
2191 any savings account or other account in a manner inconsistent with  
2192 the provisions of this chapter.

2193 SECTION 59. Section 81-12-117, Mississippi Code of 1972, is  
2194 reenacted as follows:

2195 81-12-117. Savings accounts may be opened and held solely  
2196 and absolutely in his own right by, or in trust or other fiduciary  
2197 capacity for, any person, including an adult or minor individual,  
2198 male or female, single or married, partnership, association,  
2199 fiduciary, corporation or by a political subdivision or public or  
2200 governmental unit, but only to the extent expressly authorized by  
2201 the statutes of this state. Savings accounts shall be represented  
2202 only by the account of each savings account holder on the books of  
2203 the association, and such accounts or any interest therein shall  
2204 be transferable only on the books of the association and upon  
2205 proper written application by the transferee and upon acceptance  
2206 by the association of the transferee as a savings account holder  
2207 upon terms approved by the board of directors. The association  
2208 may treat the holder of record of a savings account as the owner  
2209 thereof for all purposes.

2210 SECTION 60. Section 81-12-119, Mississippi Code of 1972, is  
2211 reenacted as follows:

2212 81-12-119. Each holder of a savings account shall execute a  
2213 savings account contract setting forth any special terms and  
2214 provisions applicable to such savings account and the ownership  
2215 thereof and the conditions upon which withdrawals may be made, not  
2216 inconsistent with the provisions of this chapter.

2217 SECTION 61. Section 81-12-121, Mississippi Code of 1972, is  
2218 reenacted as follows:

2219 81-12-121. Evidence of ownership of a savings account shall  
2220 be issued in such form as approved by the commissioner by  
2221 regulation.

2222 SECTION 62. Section 81-12-123, Mississippi Code of 1972, is  
2223 reenacted as follows:

2224 81-12-123. Upon the filing with an association by the holder  
2225 of record as shown by the books of the association, or by his

2226 legal representative, of an affidavit to the effect that the  
2227 account book or certificate evidencing his savings account with  
2228 the association has been lost or destroyed, and that such account  
2229 book or certificate has not been pledged or assigned in whole or  
2230 in part, such association shall issue a new account book or  
2231 certificate in the name of the holder of record, such evidence  
2232 stating that it is issued in lieu of the one lost or destroyed,  
2233 and the association shall in no way be liable thereafter on  
2234 account of the original account book or certificate, provided that  
2235 the board of directors shall, if in its judgment it is necessary,  
2236 require a bond in an amount it deems sufficient to indemnify the  
2237 association against any loss which might result from the issuance  
2238 of such new account book or certificate.

2239 SECTION 63. Section 81-12-125, Mississippi Code of 1972, is  
2240 reenacted as follows:

2241 81-12-125. The commissioner shall by regulation determine  
2242 the conditions under which merchandise, things of value or  
2243 services performed outside the premises of an association may be  
2244 furnished as an inducement for the opening or increase of any  
2245 savings account.

2246 SECTION 64. Section 81-12-127, Mississippi Code of 1972, is  
2247 reenacted as follows:

2248 81-12-127. Notice to any association doing business in this  
2249 state of an adverse claim to an account on its books in the name  
2250 of any savings account holder shall not be effectual to cause the  
2251 association to recognize such adverse claimant unless such adverse  
2252 claimant either procures a restraining order, injunction or other  
2253 appropriate process against the association from a court of  
2254 competent jurisdiction in a cause therein instituted by him  
2255 wherein the savings account holder in whose name the account  
2256 appears is made a party and served with summons, or shall execute  
2257 to the association, in form and with sureties acceptable to it, a  
2258 bond indemnifying it from any and all liability, loss, damage,

2259 costs and expenses for and on the account of the payment of such  
2260 adverse claim.

2261 SECTION 65. Section 81-12-129, Mississippi Code of 1972, is  
2262 reenacted as follows:

2263 81-12-129. An association may contract with the proper  
2264 authorities of any public or nonpublic elementary or secondary  
2265 school or institution of higher learning, or any public or  
2266 charitable institution caring for minors, for the participation  
2267 and implementation by the association in any school or  
2268 institutional thrift or savings plan, and it may accept savings  
2269 accounts at such a school or institution, either by its own  
2270 collector or by any representative of the school or institution  
2271 which becomes the agent of the association for such purpose.

2272 SECTION 66. Section 81-12-131, Mississippi Code of 1972, is  
2273 reenacted as follows:

2274 81-12-131. An association may contract with any employer  
2275 with respect to the solicitation, collection and receipt of  
2276 savings by payroll deduction to be credited to a designated  
2277 account or accounts of his or its employee or employees who  
2278 voluntarily may participate.

2279 SECTION 67. Section 81-12-133, Mississippi Code of 1972, is  
2280 reenacted as follows:

2281 81-12-133. Any association may continue to recognize the  
2282 authority of an attorney in fact authorized in writing to manage  
2283 or to make withdrawals either in whole or in part from the savings  
2284 account of a member or savings account holder until it receives  
2285 written notice or is on actual notice of the revocation of his  
2286 authority. For the purposes of this section, written notice of  
2287 the death or adjudication of incompetency of such savings account  
2288 holder shall constitute written notice of revocation of the  
2289 authority of his attorney. No such institution shall be liable  
2290 for damages, penalty or tax by reason of any payment made in  
2291 accord with this section.

2292 SECTION 68. Section 81-12-135, Mississippi Code of 1972, is  
2293 reenacted as follows:

2294 81-12-135. An association and any federal association may  
2295 issue savings accounts to any minor or other person under  
2296 disability as the sole and absolute owner of such savings account,  
2297 and receive payments thereon by or for such owner, and pay  
2298 withdrawals, accept pledges to the association, and act in any  
2299 other manner with respect to such accounts on the written  
2300 instruction of such savings account holder in accord with this  
2301 chapter. Any payment or delivery of rights to any minor or other  
2302 person under a disability, or a receipt or acquittance signed by a  
2303 minor or other person under a disability, who holds a savings  
2304 account, shall be a valid and sufficient release of such  
2305 association for any payment so made or delivery of rights to such  
2306 minor or person. The receipt, acquittance, pledge or other action  
2307 required by the association to be taken by such minor or person  
2308 shall be binding upon such minor or person with like effect as if  
2309 he were of full age and legal capacity. The parent or guardian of  
2310 such minor or person shall not in his capacity as parent or  
2311 guardian have the power to attach or in any manner to transfer any  
2312 savings account issued to or in the name of such minor or person;  
2313 provided, however, that in the event of the death of such minor or  
2314 person the receipt or acquittance of either parent, a person  
2315 standing in loco parentis, guardian or conservator of such minor  
2316 or person shall be a valid and sufficient discharge of such  
2317 association for any sum or sums not exceeding in the aggregate One  
2318 Thousand Dollars (\$1,000.00) unless the minor or person shall have  
2319 given written notice to the association not to accept the  
2320 signature of such person.

2321 SECTION 69. Section 81-12-137, Mississippi Code of 1972, is  
2322 reenacted as follows:

2323 81-12-137. (1) Accounts may be in the name of two (2) or  
2324 more persons, whether minor or adult, in such form that the monies

2325 in the accounts are payable to either, or the survivor or  
2326 survivors, and such money due under such accounts and all  
2327 additions thereto shall be the property of such persons as joint  
2328 tenants with the right of survivorship. The monies due under such  
2329 accounts may be paid to or on the order of any one of such persons  
2330 during his lifetime or to or on the order of any one of the  
2331 survivors of them after the death of any one or more of them. The  
2332 opening of the account in such form shall be conclusive evidence  
2333 as to the liability of the association only in any action or  
2334 proceeding to which the association is a party, of the intention  
2335 of all of the parties to the account to vest title to money due  
2336 under the account and the additions thereto in such survivor or  
2337 survivors. By written instructions given to the association by  
2338 all the parties to the account, the signatures of more than one  
2339 (1) of such persons during their lifetime or of more than one (1)  
2340 of the survivors after the death of any one (1) of them may be  
2341 required for withdrawal, in which case the association shall pay  
2342 the monies in the account only in accordance with such  
2343 instructions, but no such instructions shall limit the right of  
2344 the survivor or survivors to receive the money in the account. By  
2345 written agreement with the association, any person may create a  
2346 joint account with other persons as joint tenants with the right  
2347 of survivorship and said agreement may be signed only by the  
2348 persons creating said account.

2349 (2) The association, unless instructed in writing to the  
2350 contrary, may loan money to any one or more persons constituting a  
2351 single membership or account as joint tenants with the right of  
2352 survivorship, and any person authorized to make withdrawals as  
2353 provided in this section may pledge, hypothecate or assign all or  
2354 any part of the money due or to become due under such account. Any  
2355 such pledge, hypothecation or assignment or any increase to or  
2356 withdrawal from the account shall not destroy the joint tenancy  
2357 with right of survivorship.



2358           (3) Payment of all or any of the monies in such account, as  
2359 provided in this section, shall discharge the association from  
2360 liability with respect to the monies so paid, prior to receipt by  
2361 the association of a court order. After receipt of such court  
2362 order, an association may refuse, without liability, to honor any  
2363 withdrawal on the account pending determination of the rights of  
2364 the parties. No association paying any survivor in accordance  
2365 with the provisions of this section shall thereby be liable for  
2366 any estate, inheritance or succession taxes which may be due this  
2367 state.

2368           SECTION 70. Section 81-12-139, Mississippi Code of 1972, is  
2369 reenacted as follows:

2370           81-12-139. Any association may accept accounts in the name  
2371 of any administrator, executor, guardian, trustee or other  
2372 fiduciary in trust for a named beneficiary or beneficiaries. Any  
2373 such fiduciary shall have power to vote as a member as if any  
2374 membership account were held absolutely, to make payments upon,  
2375 and to withdraw any such account, in whole or in part. The  
2376 withdrawal value of any such account, or other rights relating  
2377 thereto may be paid or delivered, in whole or in part, to such  
2378 fiduciary, without regard to any notice to the contrary, as long  
2379 as such fiduciary is living. The payment or delivery to any such  
2380 fiduciary or a receipt of acquittance signed by any such fiduciary  
2381 to whom any such payment or any such delivery of rights is made  
2382 shall be valid and sufficient release and discharge of any  
2383 association for the payment or delivery so made. Whenever a  
2384 person holding an account in a fiduciary capacity dies and no  
2385 written notice of the revocation or termination of the trust  
2386 relationship shall have been given to an association and the  
2387 association has no notice of any other disposition of the trust  
2388 estate, the withdrawal value of such account, or other rights  
2389 relating thereto may, at the option of an association, be paid or  
2390 delivered, in whole or in part, to the beneficiary or

2391 beneficiaries of such trust. Whenever an account shall be opened  
2392 by any person describing himself in opening such account as  
2393 trustee for another and there is no other or further notice of the  
2394 existence and terms of a legal and valid trust, then such  
2395 description shall be given in writing to such association. In the  
2396 event of the death of the person so described as trustee, the  
2397 withdrawal value of such account or any part thereof may be paid  
2398 to the person for whom the account was thus stated to have been  
2399 opened, and such account and all additions thereto shall be the  
2400 property of such person, unless prior to payment the trust  
2401 agreement is presented to the association showing a contrary  
2402 interest. When made in accord with this section, the payment or  
2403 delivery to any such beneficiary, beneficiaries or designated  
2404 person, or a receipt or acquittance signed by any such  
2405 beneficiary, beneficiaries or designated person for any such  
2406 payment or delivery shall be valid and sufficient release and  
2407 discharge of an association for the payment or delivery so made.  
2408 Trust accounts permitted by this chapter shall not be required to  
2409 be acknowledged and recorded. When an account is opened in a form  
2410 described in this section, the right set forth in Section  
2411 81-12-145 shall apply. No association paying any beneficiary in  
2412 accordance with the provisions of this section shall thereby be  
2413 liable for any estate, inheritance or succession taxes which may  
2414 be due this state.

2415 SECTION 71. Section 81-12-141, Mississippi Code of 1972, is  
2416 reenacted as follows:

2417 81-12-141. When an account is held in any association by a  
2418 person residing in another state or country, the account, or any  
2419 part thereof not in excess of Two Thousand Five Hundred Dollars  
2420 (\$2,500.00), may be paid to the administrator or executor  
2421 appointed in the state or country where the account holder resides  
2422 at the time of death, provided such administrator or executor has  
2423 furnished the association with (a) authenticated copies of his

2424 letters and of the order of the court which issued the letters to  
2425 him authorizing him to collect, receive and remove the personal  
2426 estate, and (b) an affidavit by the administrator or executor that  
2427 to his knowledge no letters are then outstanding in this state and  
2428 no petition for letters by an heir, legatee, devisee or creditor  
2429 of the decedent is pending on the estate in this state, and that  
2430 there are no creditors of the estate in this state. Upon payment  
2431 or delivery to such representative after receipt of the affidavit  
2432 and authenticated copies, the association is released and  
2433 discharged to the same extent as if the payment or delivery had  
2434 been made to a legally qualified resident executor or  
2435 administrator, and is not required to see to the application or  
2436 disposition of the property. No action at law or in equity shall  
2437 be maintained against the association for payment made in  
2438 accordance with the above provisions.

2439 SECTION 72. Section 81-12-143, Mississippi Code of 1972, is  
2440 reenacted as follows:

2441 81-12-143. Any association may pay to the heirs at law of a  
2442 deceased savings account holder, without necessity of  
2443 administration, upon affidavit that deceased died leaving no last  
2444 will and testament and bond signed by each of the heirs  
2445 guaranteeing payment of any lawful debts of the deceased to the  
2446 extent of such withdrawal, any sum in the decedent's account not  
2447 in excess of Seven Thousand Five Hundred Dollars (\$7,500.00), and  
2448 the receipt of acquittance of the person or persons so paid shall  
2449 be valid and sufficient release and discharge to the association  
2450 as against all other persons and claimants for any payment so  
2451 made; however, such bond shall be made available to any creditor  
2452 for suit against the makers of such bond.

2453 SECTION 73. Section 81-12-145, Mississippi Code of 1972, is  
2454 reenacted as follows:

2455 81-12-145. Accounts payable at death may be established  
2456 under the following conditions:

2457           (a) An account in an association may be opened by any  
2458 person or persons with directions to make such an account payable  
2459 on the death of the person or persons opening such an account to  
2460 the named beneficiary or beneficiaries. When an account is so  
2461 opened, the association shall pay any monies to the credit of the  
2462 account from time to time to, or pursuant to the order of the  
2463 person or persons opening such an account during his or their  
2464 lifetime in the same manner as if the account were in the sole  
2465 name or names of such person or persons.

2466           (b) If the named beneficiary or one (1) of the  
2467 beneficiaries so named survive the death of the person opening  
2468 such an account and the beneficiary or all of the beneficiaries so  
2469 named are sixteen (16) years of age or over at the death of the  
2470 person opening such an account, the association shall pay the  
2471 monies to the credit of the account, less all proper setoffs and  
2472 charges, to the named beneficiary or beneficiaries or upon his or  
2473 their order, as hereinafter provided, and such payment by the  
2474 association shall be valid, notwithstanding any lack of legal age  
2475 of the named beneficiary or beneficiaries; provided, however,  
2476 where such an account is opened or subsequently held by more than  
2477 one (1) person, the death of one (1) of such persons shall not  
2478 terminate the account and the account shall continue as to the  
2479 surviving person or persons and the named beneficiary or  
2480 beneficiaries subject to the provisions of subsections (c) through  
2481 (i) of this section.

2482           (c) If the named beneficiary or all of the  
2483 beneficiaries so named survive the death of the person or persons  
2484 opening such an account and are under sixteen (16) years of age at  
2485 such time, the association shall pay the monies to the credit of  
2486 the account, less all proper setoffs and charges:

2487           (i) When or after the named beneficiary becomes  
2488 sixteen (16) years of age, to the named beneficiary or upon his  
2489 order; or

2490                   (ii) When more than one (1) beneficiary is named,  
2491 the association shall pay to each beneficiary so named his  
2492 proportionate interest in such account as each severally becomes  
2493 sixteen (16) years of age; or

2494                   (iii) To the legal guardian of the named  
2495 beneficiary, wherever appointed and qualified, or where more than  
2496 one (1) beneficiary is named, the association shall pay such  
2497 beneficiary's proportionate interest in such account to his legal  
2498 guardian wherever and whenever appointed and qualified; or

2499                   (iv) In the event no guardian is appointed and  
2500 qualified, payment may be made in accordance with the provisions  
2501 of Section 93-13-211 et seq., in situations to which such section  
2502 or sections are applicable.

2503                   (d) Where the death of the person or persons opening  
2504 such an account terminates the account under the provisions of  
2505 subsections (b) and (c) of this section and where one or more of  
2506 the named beneficiaries are under sixteen (16) years of age and  
2507 the remainder of the named beneficiaries are sixteen (16) years of  
2508 age or over, the association shall pay the monies to the credit of  
2509 the trust, less all proper setoffs and charges, to:

2510                   (i) The named beneficiaries sixteen (16) years of  
2511 age or over at the time of termination of said account pursuant to  
2512 subsection (b) of this section, and

2513                   (ii) The named beneficiaries under sixteen (16)  
2514 years of age at the time of termination of said account pursuant  
2515 to subsection (c) of this section.

2516                   (e) Where such account is opened or subsequently held  
2517 by more than one (1) person, the association, in the absence of  
2518 any written instructions to the contrary, consented to by the  
2519 association, shall accept payments made to such account and may  
2520 pay any monies to the credit of such account from time to time to,  
2521 or pursuant to the order of, either or any of said persons during

2522 their life or lives in the same manner as if the account were in  
2523 the sole name of either or any of such persons.

2524 (f) When a person or persons opens an account in an  
2525 association, in the form set forth in subsection (a) of this  
2526 section, and makes a payment or payments to such account, or  
2527 causes a payment or payments to be made to such account, such  
2528 person or persons shall be conclusively presumed to intend to vest  
2529 in the named beneficiary or beneficiaries a present beneficial  
2530 interest in such payment so made, and in the monies to the credit  
2531 of the account from time to time, to the end that, if the named  
2532 beneficiary or beneficiaries survive the person or persons opening  
2533 such an account, all the right and title of the person or persons  
2534 opening such an account in and to the monies to the credit of the  
2535 account at the death of such person or persons, less all proper  
2536 setoffs and charges, shall, at such death, vest solely and  
2537 indefeasibly in the named beneficiary or beneficiaries subject to  
2538 the conditions and limitations of subsections (c) through (i) of  
2539 this section.

2540 (g) If the named beneficiary predeceases the person  
2541 opening such an account, the present beneficial interest presumed  
2542 to be vested in the named beneficiary pursuant to subsection (f)  
2543 of this section shall terminate at the death of the named  
2544 beneficiary. In such case, the personal representatives of the  
2545 named beneficiary, and all others claiming through or under the  
2546 named beneficiary, shall have no right in or title to the monies  
2547 to the credit of the account, and the association shall pay such  
2548 monies, less all proper setoffs and charges, to the person opening  
2549 such an account, or pursuant to his order, in the same manner as  
2550 if the account were in the sole name of the person opening such an  
2551 account; provided, however, where such an account names more than  
2552 one (1) beneficiary, the death of one (1) of the beneficiaries so  
2553 named shall not terminate the account and the account shall

2554 continue as to the surviving beneficiary or beneficiaries subject  
2555 to the provisions of subsections (c) through (i) of this section.

2556 (h) An association which makes any payment pursuant to  
2557 subsections (c) through (g) of this section, prior to service upon  
2558 the association or an order of court restraining such payment,  
2559 shall, to the extent of each payment so made, be released from all  
2560 claims of the person or persons opening such an account, the named  
2561 beneficiary or beneficiaries, their legal representatives, and all  
2562 others claiming through or under them.

2563 (i) When an account is opened in a form described in  
2564 subsection (a) of this section, the right of the named beneficiary  
2565 or beneficiaries to be vested with sole and indefeasible title to  
2566 the monies to the credit of the account on the death of the person  
2567 or persons opening such an account shall not be denied, abridged  
2568 or in anywise affected because such right has not been created by  
2569 a writing executed in accordance with the law of this state  
2570 prescribing the requirements to effect a valid testamentary  
2571 disposition of property.

2572 SECTION 74. Section 81-12-147, Mississippi Code of 1972, is  
2573 reenacted as follows:

2574 81-12-147. (1) Administrators, executors, custodians,  
2575 guardians, trustees, pension funds and other fiduciaries of every  
2576 kind and nature, insurance companies, business and manufacturing  
2577 companies, banks, credit unions and all other types of financial  
2578 institutions, charitable, educational and eleemosynary  
2579 institutions and organizations hereby are specifically authorized  
2580 and empowered to invest funds held by them, without any order of  
2581 any court, in savings accounts of associations which are under  
2582 state supervision, and in accounts of insured associations, and  
2583 such investments shall be deemed and held to be legal investments  
2584 for such funds. With respect to investments by custodians,  
2585 associations hereby are deemed to be qualified institutions within

2586 the meaning of that term as used in the Uniform Gifts to Minors  
2587 Law of this state.

2588 (2) The provisions of this section are supplemental to any  
2589 and all other laws relating to and declaring what shall be legal  
2590 investments for the persons, fiduciaries, corporations,  
2591 organizations and officials referred to in this section, and the  
2592 laws relating to the deposit of securities and the making and  
2593 filing of bonds for any purpose.

2594 SECTION 75. Section 81-12-149, Mississippi Code of 1972, is  
2595 reenacted as follows:

2596 81-12-149. An association may pay earnings on its savings  
2597 accounts from sources available for payment of earnings at such  
2598 rate and at such times and for such time or notice periods as  
2599 shall be determined by resolution of its board of directors  
2600 subject to such rules and regulations promulgated by the  
2601 commissioner. Except for accounts which shall be classified  
2602 according to a specified contractual time or notice period,  
2603 earnings shall be declared on the withdrawal value of each savings  
2604 account at the beginning of the accounting period, plus additions  
2605 thereto made during the period (less amounts previously withdrawn  
2606 and noticed for withdrawal, which for earnings purposes shall be  
2607 deducted from the latest previous additions thereto) computed at  
2608 the declared rate for the time the funds have been invested, which  
2609 time shall be fixed by the bylaws of the association. No earnings  
2610 shall be declared or paid for an accounting period unless the  
2611 allocation to the general reserve for the preceding accounting  
2612 period required herein has been made. The board of directors, by  
2613 resolution, may determine that earnings shall not be paid on any  
2614 savings account which has a withdrawal value of a specified amount  
2615 less than Fifty Dollars (\$50.00) or which by written agreement is  
2616 intended to be closed within a specified period less than fifteen  
2617 (15) months after the date on which such savings account is  
2618 opened, provided that an exception may be made and earnings paid



2619 on savings accounts opened pursuant to Sections 81-12-129 and  
2620 81-12-131. The directors shall determine by resolution the method  
2621 of calculating the amount of any earnings on savings accounts as  
2622 herein provided, and the time or times when earnings are to be  
2623 declared, paid or credited.

2624 SECTION 76. Section 81-12-151, Mississippi Code of 1972, is  
2625 reenacted as follows:

2626 81-12-151. Any savings account holder or other account  
2627 holder or his authorized representative may at any time present a  
2628 written application for withdrawal of all or any part of his  
2629 savings account or other account. Every association shall pay,  
2630 except as provided below, every withdrawal application in the  
2631 amount stated thereon in the form of cash or one or more checks or  
2632 similar instruments payable to the order of the account holder.  
2633 However, if a federal savings and loan association located in this  
2634 state acquires the right and power to pay withdrawal applications  
2635 in the form of checks or similar instruments payable to the order  
2636 of others than the account holder as directed, or by the transfer  
2637 of credits to the account or accounts of others in an institution  
2638 as directed, then an association incorporated pursuant to or  
2639 operating under the provisions of this chapter may have and  
2640 possess the same rights and powers if prescribed by the board  
2641 pursuant to subsection (r) of Section 81-12-49. No withdrawal  
2642 shall be made in excess of the withdrawal value of such savings  
2643 account or accounts, together with any earnings which may have  
2644 been declared and may have accrued thereon for the current period.  
2645 The payment of withdrawals from savings accounts shall be subject  
2646 to the right of the association to require notice not to exceed  
2647 thirty (30) days and shall be subject to such rules and procedures  
2648 as may be prescribed by regulations of the commissioner, but any  
2649 association which, except as authorized in writing by the  
2650 commissioner, fails to make full payment of any withdrawal when

2651 due shall be deemed to be in an impaired condition to transact  
2652 business within the meaning of Section 81-12-183 of this chapter.

2653 SECTION 77. Section 81-12-153, Mississippi Code of 1972, is  
2654 reenacted as follows:

2655 81-12-153. At any time funds are on hand for the purpose,  
2656 the association shall have the right to redeem by lot as the board  
2657 of directors may determine, all or any part of any of its savings  
2658 accounts on an earnings date by giving thirty (30) days' notice by  
2659 registered mail addressed to each affected account holder at his  
2660 last address as recorded on the books of the association. No  
2661 association shall redeem any of its savings accounts when the  
2662 association is in an impaired condition or when it is unable to  
2663 pay its applications for withdrawal. The redemption price of  
2664 savings accounts redeemed shall be the full value of the account  
2665 redeemed, as determined by the board of directors, but in no event  
2666 shall the redemption price be less than the withdrawal value. If  
2667 the aforesaid notice of redemption shall have been duly given, and  
2668 if on or before the redemption date the funds necessary for such  
2669 redemption shall have been set aside so as to be and continue to  
2670 be available therefor, earnings upon the accounts called for  
2671 redemption shall cease to accrue from and after the earnings date  
2672 specified as the redemption date; and all rights with respect to  
2673 such accounts shall forthwith, after such redemption date,  
2674 terminate, except only for the right of the account holder of  
2675 record to receive the redemption price with interest to the  
2676 redemption date. All savings account books or certificates  
2677 evidencing former savings accounts which have been validly called  
2678 for redemption must be tendered for payment within ten (10) years  
2679 from the date of redemption designated in the redemption notice,  
2680 otherwise they shall be cancelled. After the expiration of the  
2681 period of ten (10) years, the association in which the funds are  
2682 located shall, within six (6) months, pay the funds to the

2683 commissioner, who shall deposit such funds to the department's  
2684 account with the State Treasurer.

2685 SECTION 78. Section 81-12-155, Mississippi Code of 1972, is  
2686 reenacted as follows:

2687 81-12-155. Associations shall have power to invest in  
2688 securities as follows:

2689 (a) Without limit, in obligations of, or obligations  
2690 which are fully guaranteed as to principal and interest by, the  
2691 United States or this state; in stock or obligations of any  
2692 federal home loan bank or banks; in stock or obligations of the  
2693 Federal Deposit Insurance Corporation; in stock or obligations of  
2694 the Federal National Mortgage Association, the Government National  
2695 Mortgage Association, Federal Home Loan Mortgage Corporation, or  
2696 any successor or successors thereto; in demand, time, or savings  
2697 deposits, accounts or other obligations of any financial  
2698 institution the accounts of which are insured by a federal agency;  
2699 in bankers' acceptances which are eligible for purchase by Federal  
2700 Reserve banks;

2701 (b) Not in excess of twenty-five percent (25%) of its  
2702 assets in (i) bonds, notes or other evidences of indebtedness  
2703 which are a general obligation of, or guaranteed as to principal  
2704 and interest by, any agency or instrumentality of the United  
2705 States not specified in subsection (a) or of this state, or any  
2706 city, town, village, county, district or other municipal  
2707 corporation or political subdivision of this state, or any public  
2708 instrumentality or public authority of any one or more of the  
2709 foregoing; (ii) capital stock, obligations, or other securities of  
2710 service organizations, provided that the commissioner shall  
2711 establish by regulation the permissible aggregate of such  
2712 investments as a percentage of assets; and (iii) other stocks,  
2713 securities and obligations which the board shall approve and place  
2714 on a list to be published and distributed to every association  
2715 from time to time, and the commissioner is directed to publish and

2716 make distribution of such a list. An association holding  
2717 investments which are so listed by the commissioner shall have a  
2718 reasonable time to dispose of the same if at a later time the  
2719 commissioner shall remove such investments from the list.

2720 SECTION 79. Section 81-12-157, Mississippi Code of 1972, is  
2721 reenacted as follows:

2722 81-12-157. No association shall invest in any security,  
2723 other than those that qualify as liquid assets, or in any loan at  
2724 any time when its liquid assets are less than five percent (5%) of  
2725 its savings liability unless the commissioner shall after  
2726 investigation have issued written approval.

2727 SECTION 80. Section 81-12-159, Mississippi Code of 1972, is  
2728 reenacted as follows:

2729 81-12-159. Every association shall have power to invest in  
2730 loans and other investments as follows:

2731 (a) Loans secured by its savings accounts to the extent  
2732 of the withdrawal value thereof;

2733 (b) Real estate loans in any amount not exceeding the  
2734 value of the security, subject to the following conditions:

2735 (i) No association shall make a real estate loan  
2736 to one borrower if the sum of (1) the amount of such loan, and (2)  
2737 the total balances of all outstanding loans owed to such  
2738 association by such borrower, excluding the amount of any loan on  
2739 the security of a savings account, exceeds an amount equal to ten  
2740 percent (10%) of such association's savings liability or an amount  
2741 equal to the sum of such association's net worth except that any  
2742 such loan may be made if the sum of (1) and (2) does not exceed  
2743 One Hundred Thousand Dollars (\$100,000.00);

2744 (ii) An association may (1) participate with one  
2745 or more financial institutions, or entities having a tax exemption  
2746 under Section 501(a) of the Internal Revenue Code, in any real  
2747 estate loan of the type in which such association is authorized to  
2748 invest on its own account, provided that the participating

2749 interest of such association is not subordinated or inferior to  
2750 any other participating interest; or (2) participate in such real  
2751 estate loans with other than financial institutions or those  
2752 entities described, provided that the participating interest of  
2753 such association is superior to the participating interests of  
2754 such other participants;

2755           (iii) Such restrictions on real estate loans on  
2756 real estate located outside the primary lending area of an  
2757 association and on real estate loans as the commissioner may  
2758 establish by regulation;

2759           (iv) Such other restrictions as the commissioner  
2760 may establish.

2761           (c) Loans secured by the pledge of loans or  
2762 investments, the assignment of which need not be recorded, of a  
2763 type in which the association is authorized to invest, provided  
2764 that the loans and investments so pledged shall be subject to all  
2765 restrictions and requirements which would be applicable were the  
2766 association to invest directly in such loans or investments;

2767           (d) Loans secured by the pledge of policies of life  
2768 insurance, the assignment of which is properly acknowledged by the  
2769 insured, but not exceeding the cash value of such policies;

2770           (e) Property improvement loans made pursuant to the  
2771 provisions of any title of the National Housing Act or subject to  
2772 any limitation as to maximum loan amount prescribed by the  
2773 commissioner for all associations, loans to homeowners and other  
2774 property owners for the construction, maintenance, repair,  
2775 alteration, modernization, landscaping, improvement, furnishing or  
2776 equipping of properties pursuant to rules and regulations  
2777 prescribed by the commissioner;

2778           (f) Loans made for the purpose of mobile home  
2779 financing, subject to any limitation as to maximum loan amount  
2780 which may be prescribed by the commissioner for all associations.

2781 For the purpose of this subsection, "mobile home" shall mean a  
2782 movable accommodation used or designed for use as living quarters;

2783 (g) Such real property or interests therein, including  
2784 real estate for home or branch offices, as the directors may deem  
2785 necessary or convenient for the conduct of the business of the  
2786 association, which for the purposes of this chapter shall be  
2787 deemed to include the ownership of stock of a wholly owned  
2788 subsidiary corporation having as its exclusive activity the  
2789 ownership and management of such property or interests, but the  
2790 amount so invested shall not exceed the net worth of the  
2791 association, provided that the commissioner may authorize a  
2792 greater amount to be so invested.

2793 SECTION 81. Section 81-12-161, Mississippi Code of 1972, is  
2794 reenacted as follows:

2795 81-12-161. Real estate loans eligible for investment by an  
2796 association under this chapter shall be written upon loan plans  
2797 approved by the commissioner, which shall include provisions for  
2798 appraisals, payments, evidences of the loans, and security  
2799 instruments, and may include provisions concerning liens, payments  
2800 of taxes and insurance premiums and similar charges, and advance  
2801 payments of taxes and insurance premiums and similar charges.

2802 SECTION 82. Section 81-12-163, Mississippi Code of 1972, is  
2803 reenacted as follows:

2804 81-12-163. In connection with a loan, the borrower may be  
2805 required to pay an attorney of his choice for services performed  
2806 in connection with the loan; the borrower shall not be required to  
2807 pay any attorney's fee to any attorney not selected by the  
2808 borrower; and the borrower shall have the right to obtain at his  
2809 own expense, if such insurance would be required by the lender,  
2810 fire and casualty insurance on the property offered as security,  
2811 or credit life insurance, from an insurance agent of the  
2812 borrower's choice. The commissioner is empowered to promulgate  
2813 rules and regulations governing the filing and maintenance by the

2814 borrower with the association of fire and casualty insurance on  
2815 the property offered as security, and title insurance. But the  
2816 commissioner shall not authorize title insurance in any company  
2817 that is not authorized to do business in the State of Mississippi.

2818 SECTION 83. Section 81-12-165, Mississippi Code of 1972, is  
2819 reenacted as follows:

2820 81-12-165. Every association may require borrowers to pay  
2821 all reasonable expenses incurred in connection with the making,  
2822 closing, disbursing, extending, readjusting or renewing of real  
2823 estate loans as shall be authorized by the commissioner. If an  
2824 attorney's fee is charged the borrower in connection with any  
2825 loan, the borrower shall have the right to select an attorney of  
2826 his choice to close the loan and to look after his interests in  
2827 connection with the loan and the fee shall be paid to the attorney  
2828 selected. It is the intention of the Legislature to insure that  
2829 the borrower shall not be required to pay any attorney's fee to  
2830 any attorney other than the attorney selected by the borrower to  
2831 close the loan. The borrower shall be advised by the association  
2832 in writing of his right to select an attorney, provided that such  
2833 attorney is on an approved list of a title insurance company  
2834 acceptable to the association, and authorized to do business in  
2835 the State of Mississippi. Title insurance is used herein as a  
2836 criterion for qualifications of attorneys only, and nothing in  
2837 this chapter shall be construed as requiring any association to  
2838 require a borrower to secure a title insurance policy in addition  
2839 to the regular attorney's certification of title. However, an  
2840 association may, if it desires, require title insurance policies  
2841 on loans, but if policies are required from one (1) attorney they  
2842 shall be required from all attorneys used in connection with loans  
2843 under this section. No association shall discriminate as to any  
2844 charges, fees or discounts, or make any different charges  
2845 whatsoever between loans closed by an attorney selected or  
2846 recommended by, or representing the association and loans closed

2847 by an attorney selected by the borrower under the provisions of  
2848 this subsection. It is the intent of the Legislature that  
2849 borrowers shall be free to select attorneys of their choice to  
2850 close all loans under the authority of this paragraph, without  
2851 incurring any additional charge or expense whatsoever. The  
2852 commissioner shall have the authority to adopt reasonable rules  
2853 and regulations to promulgate the provisions of this subsection.  
2854 Any association, or any officer or employee of any such  
2855 association willfully violating the provisions of this subsection  
2856 shall be guilty of a misdemeanor and, upon conviction thereof,  
2857 shall be fined not less than One Hundred Dollars (\$100.00) nor  
2858 more than Five Hundred Dollars (\$500.00).

2859 SECTION 84. Section 81-12-167, Mississippi Code of 1972, is  
2860 reenacted as follows:

2861 81-12-167. A late payment charge, not exceeding Five Dollars  
2862 (\$5.00) or four percent (4%) of the amount of any delinquency,  
2863 whichever is greater, if contracted for, shall not be considered  
2864 interest under the usury laws. However, no such charge shall be  
2865 made unless such delinquency is more than fifteen (15) days past  
2866 due.

2867 SECTION 85. Section 81-12-169, Mississippi Code of 1972, is  
2868 reenacted as follows:

2869 81-12-169. The directors of an association may, at any time  
2870 before an actual sale of property on a foreclosure proceeding  
2871 previously instituted by the association, reinstate a loan and any  
2872 savings account securing the same. The effect of such  
2873 reinstatement shall be to place the association, the borrower, and  
2874 any other interested person in the same legal position as if no  
2875 action had been taken, looking to such foreclosure.

2876 SECTION 86. Section 81-12-171, Mississippi Code of 1972, is  
2877 reenacted as follows:

2878 81-12-171. In the case of any investment made by an  
2879 association in a real estate loan where the ownership of the real



2880 estate security or any part thereof later becomes vested in a  
2881 person other than the party or parties originally executing the  
2882 security instruments, unless there is an agreement in writing to  
2883 the contrary, an association may, without notice to such party or  
2884 parties, deal with such successor or successors in interest with  
2885 reference to said mortgage and the debt thereby secured in the  
2886 same manner as with such party or parties, and may forbear to sue  
2887 or may extend time for payment of or otherwise modify the terms of  
2888 the debt secured thereby, without discharging or in any way  
2889 affecting the liability of such original party or parties  
2890 thereunder or upon the debt thereby secured.

2891 SECTION 87. Section 81-12-173, Mississippi Code of 1972, is  
2892 reenacted as follows:

2893 81-12-173. An association, with the approval of the  
2894 commissioner, may operate a business, manage or deal in property,  
2895 or take any other action over whatever period of time may  
2896 reasonably be necessary to avoid loss on a loan or investment  
2897 theretofore made or an obligation created in good faith.

2898 SECTION 88. Section 81-12-175, Mississippi Code of 1972, is  
2899 reenacted as follows:

2900 81-12-175. (1) A branch office is a legally established  
2901 place of business of the association other than the home office,  
2902 authorized by the board of directors and approved as provided  
2903 herein, at which savings accounts and loan payments may be  
2904 accepted and applications for loans may be received, and at which  
2905 account books and certificates may be issued and loans may be  
2906 closed by employees of the association.

2907 (2) Each association shall be operated from the home office.  
2908 All branch offices shall be subject to direction from the home  
2909 office.

2910 (3) No association may establish or operate a branch office  
2911 without authorization of the commissioner. Each application for  
2912 approval of the establishment and operation of a branch office

2913 shall state the proposed location thereof, the need therefor, the  
2914 functions to be performed therein, the estimated volume of  
2915 business thereof, the estimated annual expense thereof and the  
2916 mode of payment therefor, and shall be accompanied by a budget of  
2917 the association for the current earnings period and for the next  
2918 succeeding semiannual period, which reflects the estimated  
2919 additional expense of the maintenance of such a branch office. A  
2920 resolution adopted by the board of directors of the association  
2921 authorizing the proposed branch office and specifying the location  
2922 and manner in which the branch office will be financed shall be  
2923 submitted with each application. The commissioner may, by  
2924 regulation, require the application to state other relevant and  
2925 necessary information. Applications shall be made to the  
2926 commissioner; and, upon receipt, he shall make an investigation to  
2927 determine whether the establishment and maintenance of such office  
2928 will unduly injure any properly conducted existing association or  
2929 federal association in the community where such branch office is  
2930 proposed to be established. The provisions of Section 81-12-29 of  
2931 this chapter shall be followed in processing such application,  
2932 except that the hearing shall be before the commissioner instead  
2933 of the board.

2934 (4) No association may change the location of a branch  
2935 office to a municipality other than that in which it is located  
2936 without authorization of the commissioner. Each application for  
2937 approval of change of location of a branch office to another  
2938 municipality shall state the proposed location thereof, the need  
2939 therefor, the functions to be performed therein, the estimated  
2940 volume of business thereof, the estimated annual expense thereof,  
2941 and the mode of payment therefor, and shall be accompanied by a  
2942 budget of the association for the current earnings period and for  
2943 the next succeeding semiannual period, which reflects the  
2944 estimated additional expense of the maintenance of such proposed  
2945 change of location of the branch office. A resolution adopted by

2946 the board of directors of the association authorizing the proposed  
2947 change of location of the branch office to another municipality  
2948 and specifying the location and proposed manner in which such  
2949 branch office will be financed shall be submitted with each  
2950 application. The commissioner may, by regulation, require the  
2951 application to state other relevant and necessary information.  
2952 Applications shall be made to the commissioner; and, upon receipt,  
2953 he shall make an investigation to determine whether the  
2954 establishment and maintenance of such office will unduly injure  
2955 any properly conducted existing association or federal association  
2956 in the community to which the location of such branch office is  
2957 proposed to be changed. The provisions of Section 81-12-29 shall  
2958 be followed in processing such applications, except that the  
2959 hearing shall be before the commissioner instead of the board.

2960 (5) No association may change the location of a branch  
2961 office to another location in the same municipality without  
2962 authorization by the commissioner. The commissioner shall  
2963 prescribe the form of the application, prerequisites and  
2964 requirements. Notice of such proposed change of location shall be  
2965 given as provided in Section 81-12-29(1). If no protests are  
2966 filed after such notice, the commissioner may approve such  
2967 application if it meets the established prerequisites and  
2968 requirements. If protests are filed, the commissioner, upon  
2969 reasonable notice to the applying association and its attorney and  
2970 to the protestants and their attorneys, shall hold a hearing and,  
2971 based upon his written findings at such hearing, issue a  
2972 certificate of approval or disapproval.

2973 (6) No branch office in this state may be discontinued or  
2974 abandoned without the consent in writing of the commissioner first  
2975 obtained.

2976 SECTION 89. Section 81-12-176, Mississippi Code of 1972, is  
2977 reenacted as follows:

2978           81-12-176. No association shall, without authorization by  
2979 the commissioner, establish a savings branch office, loan branch  
2980 office or a loan processing office. The commissioner shall  
2981 prescribe the form of the application, prerequisites and  
2982 requirements for the above types of offices. If no protest is  
2983 filed after notice has been given as provided in Section  
2984 81-12-29(1), the commissioner may approve the application for the  
2985 above-described limited service branch offices if the established  
2986 prerequisites and requirements are met. If protests are filed,  
2987 the commissioner, upon reasonable notice to the applying  
2988 association and its attorney and to the protestants and their  
2989 attorneys, shall hold a hearing and, based upon his written  
2990 findings at such hearing, issue a certificate of approval or  
2991 disapproval.

2992           SECTION 90. Section 81-12-177, Mississippi Code of 1972, is  
2993 reenacted as follows:

2994           81-12-177. (1) On or before the forty-fifth day after the  
2995 end of an association's annual accounting period, every  
2996 association shall make an annual written report to the  
2997 commissioner, upon a form to be prescribed and/or furnished by the  
2998 commissioner, of its affairs and operations, which shall include a  
2999 complete statement of its financial condition, including a  
3000 statement of income and expense since its last previous similar  
3001 report, for the twelve (12) months ending on the last day of its  
3002 accounting period of the previous year. This report shall include  
3003 a statement of full compliance with this chapter, and such other  
3004 information as the commissioner shall direct. Every such report  
3005 shall be verified by the president, managing officer or any other  
3006 officer designated by the commissioner.

3007           (2) Every association also shall make such other reports as  
3008 the commissioner may from time to time require, which shall be in  
3009 such form and filed on such date as he may prescribe and shall be  
3010 verified in the same manner as the annual report.

3011           (3) The commissioner shall require that every association  
3012 have its affairs examined and be audited at least once a year.  
3013 The commissioner shall review such examination and audit within a  
3014 reasonable time after their completion.

3015           (4) The commissioner shall accept any examination made or  
3016 any audit caused to be made by a federal home loan bank, the  
3017 appropriate federal regulatory authority, or by the Federal  
3018 Deposit Insurance Corporation.

3019           (5) The commissioner may, without previous notice, examine  
3020 or cause an examination to be made into the affairs of an  
3021 association.

3022           (6) Whenever, in the judgment of the commissioner, the  
3023 condition of any association renders it necessary or expedient to  
3024 make any extra examination or audit or to devote any extraordinary  
3025 attention to its affairs, the commissioner shall cause the same to  
3026 be done. A full and complete copy of the report of all  
3027 examinations and audits shall be furnished to the association  
3028 examined. Such report of examination or audit shall be presented  
3029 by the president to the board of directors at its next regular or  
3030 special meeting.

3031           (7) The commissioner is authorized in connection with any  
3032 examination or audit of any association to cause to be made  
3033 appraisals of real estate held by the association or securing the  
3034 association's assets when specific facts or information with  
3035 respect to real estate held, secured loans or lending, or when in  
3036 his opinion the association's policies, practices, operating  
3037 results and trends give evidence that an association's appraisals  
3038 may be excessive, that lending or investment may be of a marginal  
3039 nature, that appraisal policies and practices may not conform with  
3040 generally accepted and established professional standards, or that  
3041 real estate held by the association or assets secured by real  
3042 estate are overvalued. In lieu of causing such appraisals to be  
3043 made, the commissioner may accept any appraisal caused to be made

3044 by a federal home loan bank, the appropriate federal regulatory  
3045 authority, or by the Federal Deposit Insurance Corporation.  
3046 Unless otherwise ordered by the commissioner, appraisal of real  
3047 estate in connection with any examination or audit pursuant to  
3048 this section shall be made by a professional appraiser or  
3049 appraisers selected by the commissioner, and the cost of such  
3050 appraisal promptly shall be paid by such association directly to  
3051 such appraiser or appraisers, upon receipt by the association of a  
3052 statement of such cost bearing the written approval of the  
3053 commissioner. A copy of the report of such appraisal caused to be  
3054 made by the commissioner, pursuant to this subsection, shall be  
3055 furnished to the association within a reasonable time, not to  
3056 exceed sixty (60) days following the completion of such  
3057 appraisals, and may be furnished to the insuring agency.

3058 (8) The commissioner or his examiners or auditors shall have  
3059 free access to all books and papers of an association, a holding  
3060 company of an association, or a service organization, the  
3061 principal office of which is located in this state and which is  
3062 principally owned by one or more thrift institutions, which relate  
3063 to its business and books and papers kept by any officer, agent or  
3064 employee, relating to or upon which any record of its business is  
3065 kept, and may summon witnesses and administer oaths or  
3066 affirmations in the examination of the directors, officers, agents  
3067 or employees of any such association, service organization or any  
3068 other person in relation to its affairs, transactions and  
3069 conditions, and may require and compel the production of records,  
3070 books, papers, contracts or other documents by court order, if not  
3071 voluntarily produced.

3072 SECTION 91. Section 81-12-178, Mississippi Code of 1972, is  
3073 reenacted as follows:

3074 81-12-178. (1) The commissioner shall obtain each year from  
3075 the appropriate federal financial supervisory agency or agencies  
3076 the public sections of the written evaluations prepared pursuant

3077 to 12 USCS Section 2906 of the Community Reinvestment Act, as  
3078 amended (12 USCS Section 2901 et seq.), of each state savings  
3079 association, savings bank, and savings and loan association and  
3080 each federal savings and loan association located in Mississippi,  
3081 and each savings and loan holding company that controls any  
3082 savings association, savings bank or savings and loan association  
3083 located in Mississippi. Once each year, the commissioner shall  
3084 publish in some newspaper having a general circulation in the  
3085 state a statement that the public section of the written  
3086 evaluation prepared pursuant to 12 USCS Section 2906 of the  
3087 Community Reinvestment Act, as amended (12 USCS Section 2901 et  
3088 seq.), of each such savings association, savings bank, savings and  
3089 loan association and savings and loan holding company is  
3090 maintained in the office of the commissioner and will be made  
3091 available for inspection to any person upon request during  
3092 business hours, and that copies of all or part of any evaluation  
3093 will be furnished to any person upon request for a reasonable  
3094 copying fee prescribed by the commissioner.

3095 (2) For the purposes of this section, the term "appropriate  
3096 federal financial supervisory agency" shall have the same meaning  
3097 as the definition in 12 USCS Section 2902.

3098 SECTION 92. Section 81-12-179, Mississippi Code of 1972, is  
3099 reenacted as follows:

3100 81-12-179. If the commissioner, as a result of any  
3101 examination or from any report made to him, shall find that any  
3102 association is violating the provisions of its certificate of  
3103 incorporation or bylaws, or the laws of this state or of the  
3104 United States, or any lawful order or regulation of the  
3105 commissioner, he shall, by a formal written order delivered to the  
3106 association as aforesaid, state any alleged violation, together  
3107 with a statement of the facts alleged to be such violation, and  
3108 order discontinuance of such violation and conformance with all  
3109 requirements of law. Such order shall specify the effective date

3110 thereof, which may be immediate or may be at a later date, and  
3111 such order shall remain in effect until withdrawn by the  
3112 commissioner or until terminated by a court order. Such order of  
3113 the commissioner, upon application made on or after the effective  
3114 date thereof by the commissioner to the chancery court in the  
3115 county in which the home office of the association is located,  
3116 shall be enforced ex parte and without notice by an order to  
3117 comply entered by the court. Such proceedings shall be given  
3118 precedence over all cases pending in such court, and shall in  
3119 every way be expedited. Any association affected by such order of  
3120 the commissioner shall, after receipt thereof, have the right to  
3121 apply within thirty (30) days to any such court for an immediate  
3122 hearing and order suspending the order of the commissioner upon  
3123 such conditions as may be prescribed by the court until such time  
3124 as the hearing has been completed. The hearing of such  
3125 application to the court shall be upon such notice to the  
3126 commissioner as the court shall provide. Whether upon application  
3127 by the commissioner or by the association, such court shall have  
3128 power to and shall adjudicate the question and enter the proper  
3129 order or orders and enforce the same.

3130 SECTION 93. Section 81-12-181, Mississippi Code of 1972, is  
3131 reenacted as follows:

3132 81-12-181. (1) If the commissioner, as a result of any  
3133 examination or from any report made to him, believes that the  
3134 public interest may be served by the appointment of a conservator,  
3135 and if he shall find that: (a) the capital of an association is  
3136 impaired, or (b) the association is concealing any assets, books  
3137 or records, or (c) the members of such association are in actual  
3138 danger of loss due to mismanagement, misappropriation of funds,  
3139 fraud, violation of this chapter, or violation of any lawful rule  
3140 of the commissioner, or (d) any association is in violation of an  
3141 order or injunction, as authorized by this section, which has  
3142 become final in that time to appeal has expired without appeal or



3143 a final order entered from which there can be no appeal, the  
3144 commissioner may appoint a conservator for such association, which  
3145 may be the commissioner or any other person, and upon such  
3146 appointment shall apply immediately to the chancery court in the  
3147 county in which the home office of the association is located for  
3148 confirmation of such appointment, and such court shall have  
3149 exclusive jurisdiction to determine the issues and all related  
3150 matters. Such proceedings shall be given precedence over other  
3151 cases pending in such court, and shall in every way be expedited.  
3152 Such court shall confirm such appointment if it shall find that  
3153 one or more of such grounds exist, and a certified copy of the  
3154 order of the court confirming such appointment shall be evidence  
3155 thereof. Such conservator shall have the power and authority  
3156 provided in this chapter and such other power and authority as may  
3157 be expressed in the order of the court. Such conservator shall  
3158 endeavor promptly to remedy the situations complained of by the  
3159 commissioner in his application for confirmation of such  
3160 appointment. Within six (6) months of the date of such  
3161 appointment, or within twelve (12) months if the court shall  
3162 extend such period of six (6) months, such association shall be  
3163 returned to the board of directors thereof and thereafter shall be  
3164 managed and operated as if no conservator had been appointed, or a  
3165 receiver shall be appointed as hereinafter provided. If the  
3166 commissioner or examiner is appointed conservator, he shall  
3167 receive no additional compensation, but if another person is  
3168 appointed, then the compensation of the conservator, as determined  
3169 by the court, shall be paid by the association. A certified copy  
3170 of the order of the court discharging such conservator and  
3171 returning such association to the directors thereof shall be  
3172 sufficient evidence thereof.

3173 (2) Any conservator appointed shall have all the rights,  
3174 powers and privileges possessed by the officers, board of  
3175 directors and members of the association and shall have the power,

3176 with the approval of the court, to limit or condition withdrawals  
3177 from the association and to effectuate a system for payment of  
3178 withdrawals.

3179 (3) The directors and officers shall remain in office and  
3180 the employees shall remain in their respective positions, but the  
3181 conservator may remove any director, officer or employee, provided  
3182 the order of removal of a director or officer shall be approved in  
3183 writing by the commissioner.

3184 (4) While the association is in the charge of a conservator,  
3185 members or borrowers of such association shall continue to make  
3186 payments to the association in accordance with the terms and  
3187 conditions of their contracts, and the conservator, in his  
3188 discretion, may permit savings account members or savings account  
3189 holders to withdraw their accounts from the association pursuant  
3190 to the provisions of this chapter. The conservator shall have  
3191 power to accept savings accounts and additions to savings  
3192 accounts, but any such amounts received by the conservator may be  
3193 segregated if the commissioner shall so order in writing; if so  
3194 ordered, such amounts shall not be subject to offset and shall not  
3195 be used to liquidate any indebtedness of such association existing  
3196 at the time the conservator was appointed for it or any subsequent  
3197 indebtedness incurred for the purposes of liquidating the  
3198 indebtedness of any such association existing at the time such  
3199 conservator was appointed. All expenses of the association during  
3200 such conservatorship shall be paid by the association.

3201 SECTION 94. Section 81-12-183, Mississippi Code of 1972, is  
3202 reenacted as follows:

3203 81-12-183. (1) If the commissioner shall find that: (a)  
3204 the capital of an association is impaired, or (b) the association  
3205 is concealing any assets, books or records, or (c) the members of  
3206 such association are in actual danger of loss due to  
3207 mismanagement, misappropriation of funds, fraud, violation of this  
3208 chapter, or violation of any lawful rule of the commissioner, or

3209 (d) any association is in violation of an order or injunction, as  
3210 provided in Section 81-12-181 or Section 81-12-183, which has  
3211 become final in that the time to appeal has expired without appeal  
3212 or a final order entered from which there can be no appeal, the  
3213 commissioner may apply immediately to the chancery court in the  
3214 county in which the home office of the association is located for  
3215 appointment of a receiver for such association, and such court  
3216 shall have exclusive jurisdiction to determine the issues and all  
3217 related matters. The commissioner shall suggest a person for such  
3218 appointment who may be the commissioner. Such proceedings shall  
3219 be given precedence over other cases pending in such court, and  
3220 shall in every way be expedited. Such court shall make such  
3221 appointment if it shall find that one or more such grounds exist,  
3222 and a certified copy of the order of the court confirming such  
3223 appointment shall be evidence thereof. Such receiver shall have  
3224 all the powers and authority of a conservator plus the power to  
3225 liquidate, and shall have such other powers and authority as may  
3226 be expressed in the order of the court. If the commissioner or  
3227 examiner is appointed receiver, he shall receive no additional  
3228 compensation, but if another person is appointed, then the  
3229 compensation of the receiver, as determined by the court, shall be  
3230 paid from the assets of the association.

3231 (2) The Federal Deposit Insurance Corporation shall be  
3232 tendered appointment as receiver. If it accepts such appointment,  
3233 it may, nevertheless, make loans on the security of or purchase at  
3234 public or private sale any part or all of the assets of the  
3235 association of which it is receiver, provided such loan or  
3236 purchase is approved by such court.

3237 (3) The procedure in such receivership action shall be in  
3238 all other respects in accordance with the practice of such court,  
3239 including all rights of appeal and review. The directors,  
3240 officers and attorneys of an association in office at the time of  
3241 the initiation of any proceeding under this or the preceding

3242 section are expressly authorized to contest any such proceeding  
3243 and shall in the discretion of the court be reimbursed for  
3244 reasonable expenses and attorney's fees by the association or from  
3245 its assets. Any court having any such proceeding before it shall  
3246 in its discretion allow and order paid reasonable expenses and  
3247 attorney's fees for such directors, officers and attorneys. The  
3248 charter of any association which is liquidated by a receiver shall  
3249 be surrendered to the commissioner on the completion of such  
3250 liquidation and cancelled by him.

3251 SECTION 95. Section 81-12-184, Mississippi Code of 1972, is  
3252 reenacted as follows:

3253 81-12-184. If it appears to the commissioner that it is in  
3254 the best interest of the depositors of an association, the general  
3255 public, and the savings association industry within this state,  
3256 the commissioner is hereby granted the authority to allow a  
3257 supervisory merger of an association into another association in  
3258 lieu of appointing a conservator or a receiver under the  
3259 provisions of Section 81-12-181 or 81-12-183, provided the board  
3260 of directors of each association has adopted a voluntary consent  
3261 resolution authorizing a supervisory merger. The commissioner  
3262 shall coordinate the supervisory merger with the appropriate  
3263 federal regulatory authority.

3264 SECTION 96. Section 81-12-185, Mississippi Code of 1972, is  
3265 reenacted as follows:

3266 81-12-185. No appointment of a conservator shall be  
3267 confirmed, and no receiver shall be appointed or private property  
3268 seized, with respect to an association which is not in an impaired  
3269 condition, unless the court finds that the alleged wrongdoing  
3270 cannot be reasonably corrected as provided in this chapter or  
3271 otherwise as provided by law without appointment of a conservator  
3272 or receiver.

3273 SECTION 97. Section 81-12-187, Mississippi Code of 1972, is  
3274 reenacted as follows:

3275           81-12-187. (1) For the purposes of this section, the term  
3276 "foreign association" shall include any person, firm, company,  
3277 association, fiduciary, partnership or corporation, by whatever  
3278 name called, actually engaged in the business of an association,  
3279 which is not organized under the provisions of this chapter or the  
3280 laws of the United States as now or hereafter amended, the  
3281 principal business office of which is located outside the  
3282 territorial limits of this state.

3283           (2) No foreign association shall do any business of an  
3284 association within this state or maintain an office in this state  
3285 for the purpose of doing such business unless an application is  
3286 made and approval granted as provided herein for the charter of  
3287 domestic associations. No foreign association shall be granted  
3288 permission to do business in this state, except upon the same  
3289 terms, provisions, requirements and conditions as the laws of the  
3290 state in which the foreign association is incorporated require of  
3291 a Mississippi association desiring to do business under the laws  
3292 of the state in which such foreign corporation is organized and  
3293 created.

3294           (3) The commissioner shall conduct a complete investigation  
3295 of the applicant at its expense.

3296           (4) The commissioner shall examine and supervise all foreign  
3297 associations doing any such business in this state in the same  
3298 manner as he examines and supervises associations of this state,  
3299 and they shall pay the supervision and examination fee imposed by  
3300 Section 81-12-193, plus any additional costs as determined by the  
3301 commissioner. The commissioner in his discretion may rely upon  
3302 such official examinations, public and private audits, and copies  
3303 of reports which are supplied to him.

3304           (5) The commissioner hereby is authorized, empowered and  
3305 directed to obtain an injunction or to take any other action  
3306 necessary to prevent any foreign association from doing any  
3307 business of an association in this state without approval.

3308 SECTION 98. Section 81-12-189, Mississippi Code of 1972, is  
3309 reenacted as follows:

3310 81-12-189. (1) For the purposes of Section 81-12-187 and  
3311 this section and any other law of this state prohibiting,  
3312 limiting, regulating, charging or taxing the doing of business in  
3313 this state by foreign associations or foreign corporations of any  
3314 type, any federal association the principal office of which is  
3315 located outside this state, and any foreign association which is  
3316 located outside this state, and any foreign association which is  
3317 subject to state or federal supervision, or both, which by law is  
3318 subject to periodic examination by such supervisory authority and  
3319 to a requirement of periodic audit, shall not be considered to be  
3320 doing business in this state, nor shall any of its intangible  
3321 properties be deemed to have a business, commercial or actual  
3322 situs in this state by reason of engaging in any of the following  
3323 activities:

3324 (a) The purchase, acquisition, holding, sale,  
3325 assignment, transfer, collecting and enforcement of obligations or  
3326 any interest therein secured by real estate mortgages or other  
3327 instruments in the nature of a mortgage, covering real property  
3328 located in this state, or the foreclosure of such instruments, or  
3329 the acquisition of title to such property by foreclosure, or  
3330 otherwise, as a result of default under such instruments, or the  
3331 holding, protection, rental, maintenance and operation of said  
3332 property so acquired, or the disposition thereof.

3333 (b) The advertising or solicitation of savings  
3334 accounts, or the making of any representations with respect  
3335 thereto in this state through the media of the mail, radio,  
3336 television, magazines, newspapers or any other media which are  
3337 published or circulated within this state, provided that such  
3338 advertising, soliciting or the making of such representations  
3339 shall be accurately descriptive of the fact and shall conform to  
3340 the limitations set forth in this chapter regarding associations.

3341           (c) The purchase of a participating interest in loans  
3342 of associations, subject to such regulations as the commissioner  
3343 may adopt.

3344           (2) Any foreign association or federal association described  
3345 in subsection (1) which engages in any of the activities described  
3346 in paragraph (a) thereof pursuant to the provisions of this  
3347 section shall in any connection therewith be subject to suit in  
3348 the courts of this state by this state and the citizens of this  
3349 state, and service on such association shall be effected by  
3350 serving the Secretary of State of this state, provided that the  
3351 provisions of this section shall have no other application to the  
3352 question of whether any foreign association or federal association  
3353 is subject to service of process and suit in this state as a  
3354 result of the transaction of business or other activities in this  
3355 state.

3356           SECTION 99. Section 81-12-191, Mississippi Code of 1972, is  
3357 reenacted as follows:

3358           81-12-191. Federal savings associations or federal savings  
3359 and loan associations, domiciled in the State of Mississippi,  
3360 incorporated pursuant to the laws of the United States, as now or  
3361 hereafter amended, are not foreign corporations or foreign  
3362 associations. Unless otherwise restricted by laws of the United  
3363 States, the depositors, members and stockholders of federal  
3364 associations shall possess all of the rights, privileges and  
3365 benefits, duties and obligations that are now or may hereafter be  
3366 provided by the laws of this state for depositors, members and  
3367 stockholders of associations organized under the laws of this  
3368 state; unless otherwise restricted by the laws of the United  
3369 States, federal associations shall possess all of the benefits,  
3370 immunities, exemptions, duties and obligations that are now or may  
3371 hereafter be provided by the laws of this state for associations  
3372 organized under the laws of this state. This provision is  
3373 additional and supplemental to any provision which, by specific

3374 reference, is applicable to federal associations and the members  
3375 thereof.

3376 SECTION 100. Section 81-12-193, Mississippi Code of 1972, is  
3377 reenacted as follows:

3378 81-12-193. The department shall charge and collect for:

3379 (a) Filing articles of incorporation and issuing a  
3380 certificate of incorporation, a minimum fee of Five Hundred  
3381 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred  
3382 Dollars (\$2,500.00) as fixed by the commissioner.

3383 (b) For filing annual reports, the commissioner shall  
3384 assess every association organized under the laws of this state  
3385 engaging in the business of an association, and every foreign  
3386 association qualified to do business in this state under the  
3387 provisions of Section 81-12-187, in accordance with the following  
3388 schedule, setting forth the maximum that may be assessed:

3389 (i) Seventy-five Dollars (\$75.00).

3390 (ii) Every such association whose total assets  
3391 exceed One Hundred Thousand Dollars (\$100,000.00) shall further  
3392 pay in addition to the minimum assessment of Seventy-five Dollars  
3393 (\$75.00), Fifty Cents (50¢) for each One Thousand Dollars  
3394 (\$1,000.00) or fraction thereof of assets in excess of One Hundred  
3395 Thousand Dollars (\$100,000.00). All money accruing from such  
3396 assessment shall be used for the maintenance of the department.

3397 (iii) The commissioner shall, during the month of  
3398 January in each year, or as soon thereafter as practicable,  
3399 prepare and send to each association a statement of the  
3400 assessments due under this section, based upon the total assets of  
3401 each association as of December 31 of the preceding year. The  
3402 assessment shall be payable in accordance with the statement so  
3403 furnished and shall be paid within ten (10) days after the date  
3404 fixed for their payment. Such assessment shall constitute a lien  
3405 on the assets of each association until paid. Any association  
3406 failing to make payment of an installment within ten (10) days as



3407 provided in this section shall be liable for a penalty of ten  
3408 percent (10%) of the amount in default for each day thereafter.  
3409 All assessments and penalties provided in this section shall be  
3410 payable as set forth in this section, and when collected by the  
3411 commissioner shall be delivered to the State Treasurer to be  
3412 placed to the credit of the account of the department.

3413 (iv) If it appears to the commissioner that the  
3414 fees assessed under this section shall produce more than the  
3415 requirements of the estimated operating budget approved for the  
3416 department for the ensuing assessment period, the commissioner  
3417 shall authorize a uniform percentage reduction to be applied to  
3418 the fees to be paid by the individual associations.

3419 (v) Associations organized and in existence as of  
3420 June 30, 1994, shall not be billed or liable for the annual report  
3421 assessment due for the close of this period only. The next annual  
3422 report assessment shall be due based upon assets as of December  
3423 31, 1994, and annually thereafter.

3424 (c) Filing articles of merger when the resulting  
3425 association is a state association, a minimum fee of Five Hundred  
3426 Dollars (\$500.00) up to a maximum fee of Two Thousand Five Hundred  
3427 Dollars (\$2,500.00), as fixed by the commissioner.

3428 (d) Filing an application for conversion from a  
3429 national association to a state association, a minimum fee of Five  
3430 Hundred Dollars (\$500.00) up to a maximum fee of Two Thousand Five  
3431 Hundred Dollars (\$2,500.00) as fixed by the commissioner.

3432 (e) Filing an application for a branch bank, branch  
3433 office, or drive-in teller window, a minimum fee of Two Hundred  
3434 Fifty Dollars (\$250.00) up to a maximum fee of One Thousand Five  
3435 Hundred Dollars (\$1,500.00), as fixed by the commissioner.

3436 The commissioner shall publish a schedule of fees applicable  
3437 to all associations within his jurisdiction.

3438 SECTION 101. Section 81-12-195, Mississippi Code of 1972, is  
3439 reenacted as follows:

3440           81-12-195. The offering and sale of savings accounts of any  
3441 association subject to the provisions of this chapter are hereby  
3442 exempted from all provisions of law of this state which provide  
3443 for the supervision and regulation of the sale of securities, and  
3444 the sale of any such accounts shall be legal without any action or  
3445 approval whatsoever on the part of any official authorized to  
3446 license, regulate and supervise the sale of securities.

3447           SECTION 102. Section 81-12-197, Mississippi Code of 1972, is  
3448 reenacted as follows:

3449           81-12-197. No public officer qualified to take  
3450 acknowledgments or proofs of written instruments shall be  
3451 disqualified from taking the acknowledgment or proof of any  
3452 instrument in writing in which an association is interested by  
3453 reason of his membership in or employment by an association so  
3454 interested, and any such acknowledgments or proofs heretofore  
3455 taken are hereby validated.

3456           SECTION 103. Section 81-12-199, Mississippi Code of 1972, is  
3457 reenacted as follows:

3458           81-12-199. Whoever willfully and knowingly makes, issues,  
3459 circulates, transmits or causes to be made any statement, written,  
3460 printed, reproduced in any manner, or by word of mouth, which is  
3461 untrue in fact and is directly false and malicious in that it is  
3462 calculated to injure the reputation or business of any  
3463 association, federal association, federal home loan bank, the  
3464 appropriate federal regulatory authority, or the Federal Deposit  
3465 Insurance Corporation, shall upon conviction be fined not more  
3466 than One Thousand Dollars (\$1,000.00) or imprisoned for not more  
3467 than one (1) year, or both.

3468           SECTION 104. Section 81-12-201, Mississippi Code of 1972, is  
3469 reenacted as follows:

3470           81-12-201. From and after July 1, 1977, no person, whether  
3471 or not incorporated, other than a bank or credit union organized  
3472 under the laws of this state or of the United States, or an

3473 association organized under the laws of this state or of the  
3474 United States, shall advertise by newspaper, radio, television, or  
3475 other commercial media for deposits of money from the public. The  
3476 commissioner shall have authority to enforce this prohibition by  
3477 injunctive relief in the chancery court in which any such person  
3478 may be a resident or domiciled.

3479 SECTION 105. Section 81-12-203, Mississippi Code of 1972, is  
3480 reenacted as follows:

3481 81-12-203. (1) The name, rights, powers, privileges and  
3482 immunities of every savings association heretofore incorporated in  
3483 this state shall be governed by the provisions of this chapter to  
3484 the same extent and effect as if such association had been  
3485 incorporated pursuant hereto. Every such association shall  
3486 possess the rights, powers, privileges and immunities and shall be  
3487 subject to the duties, liabilities, disabilities and restrictions  
3488 conferred and imposed by this chapter, notwithstanding anything to  
3489 the contrary in its certificates of incorporation, bylaws,  
3490 constitution or rules.

3491 (2) All obligations to any such association heretofore  
3492 contracted shall be enforceable by it and in its name, and  
3493 demands, claims and rights of action against any such association  
3494 may be enforced against it as fully and completely as they could  
3495 have been enforced heretofore.

3496 SECTION 106. Section 81-12-205, Mississippi Code of 1972, is  
3497 reenacted as follows:

3498 81-12-205. Any interested person aggrieved by any final  
3499 rule, regulation or order of the commissioner or the board, shall  
3500 have the right, regardless of the amount involved to appeal to the  
3501 Circuit Court of the First Judicial District of Hinds County,  
3502 except that if the appellant is an applicant for a charter the  
3503 appeal shall be taken to the circuit court of the county in which  
3504 the institution sought to be chartered would be domiciled, and if  
3505 the appellant is seeking to establish a branch office, the appeal

3506 shall be taken to the circuit court of the county in which the  
3507 branch is proposed to be located. Such appeal shall be taken and  
3508 perfected as hereinafter provided, within thirty (30) days from  
3509 the date of such final rule, regulation or order; and the circuit  
3510 court may affirm such rule, regulation or order, or reverse same  
3511 for further proceedings as justice may require. All such appeals  
3512 shall be taken and perfected, heard and determined either in  
3513 termtime or in vacation on the record, including a transcript of  
3514 pleadings and testimony, both oral and documentary, filed and  
3515 heard before the commissioner or the board, and such appeal shall  
3516 be heard and disposed of promptly by the court as a preference  
3517 cause. In perfecting any appeal provided by this section, the  
3518 provisions of law respecting notice to the reporter and the  
3519 allowance of bills of exception, now or hereafter in force  
3520 respecting appeals from the circuit court to Supreme Court shall  
3521 be applicable. However, the reporter shall transcribe his notes  
3522 and file the transcript of the record with the commissioner or the  
3523 board within thirty (30) days after approval of the appeal bond.  
3524 Upon the filing with the commissioner or the board of a petition  
3525 for appeal to the circuit court, it shall be the duty of the  
3526 commissioner or the board, as promptly as possible, and in any  
3527 event within sixty (60) days after approval of the appeal bond, to  
3528 file with the clerk of the circuit court to which the appeal is  
3529 taken, a copy of the petition for appeal and of the rule,  
3530 regulation or order appealed from, and the original and one (1)  
3531 copy of the transcript of the record of proceedings in evidence  
3532 before the commissioner or the board. After the filing of the  
3533 petition, the appeal shall be perfected by the filing of bond in  
3534 the sum of Five Hundred Dollars (\$500.00) with two (2) good and  
3535 sufficient sureties or with a surety company qualified to do  
3536 business in Mississippi as the surety, conditioned to pay the cost  
3537 of such appeal; the bond to be approved by the commissioner or by  
3538 the clerk of the court to which such appeal is taken. The

3539 perfection of an appeal shall not stay or suspend the operation of  
3540 any rule, regulation or order of the commissioner or the board,  
3541 but the judge of the circuit court to which the appeal is taken  
3542 may award a writ of supersedeas to any rule, regulation or order  
3543 of the commissioner or the board after five (5) days' notice to  
3544 the commissioner or the board and after hearing. Any order or  
3545 judgment staying the operation of any rule, regulation or order of  
3546 the commissioner or the board shall contain a specific finding,  
3547 based upon evidence submitted to the circuit judge and identified  
3548 by reference thereto, that great or irreparable damage would  
3549 result to the appellant if he is denied relief, and the stay shall  
3550 not become effective until a supersedeas bond shall have been  
3551 executed and filed with and approved by the clerk of the court  
3552 payable to the state. The bond shall be in an amount fixed by the  
3553 circuit judge and conditioned as the circuit judge may direct in  
3554 the order granting the supersedeas.

3555 SECTION 107. Section 81-12-207, Mississippi Code of 1972, is  
3556 reenacted as follows:

3557 81-12-207. Where no other criminal penalty is specifically  
3558 provided in this chapter, if any association or its agents,  
3559 attorneys or solicitors, officers or directors, or any other  
3560 person shall solicit or negotiate any deposit of money or in  
3561 anywise transact any business regulated hereunder in this state  
3562 without having first fully complied in good faith with the  
3563 provisions of this chapter, such association and any such person,  
3564 upon conviction, shall be punished by a fine of not more than Five  
3565 Thousand Dollars (\$5,000.00) or imprisonment for not more than  
3566 five (5) years, or both.

3567 SECTION 108. Section 81-12-209, Mississippi Code of 1972,  
3568 which repeals the provisions of law providing for the regulation  
3569 of savings associations, is hereby repealed.

3570 SECTION 109. This act shall take effect and be in force from  
3571 and after July 1, 2001.