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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) "Liquid assets" means cash on hand, cash on deposit
in federal home loan banks, in state banks performing similar
reserve functions, or in commercial banks insured by the Federal
Deposit Insurance Corporation, which is not pledged as security
for indebtedness; except that any deposits in a bank under the
control or in the possession of any supervisory authority shall
not be considered as liquid assets; loans immediately available or
federal funds on a day-to-day basis to a bank insured by the
Federal Deposit Insurance Corporation; and direct obligations of,
or obligations which are fully guaranteed as to principal and
interest by, the United States or agencies or instrumentalities thereof or this state.

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

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

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

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

(p) "One borrower" means: (i) any person or entity which is or which, upon the making of a loan, will become obligor on a real estate loan; (ii) nominees of such obligor; (iii) all persons, trusts, partnerships, syndicates and corporations of which such obligor is a nominee or a beneficiary, partner, member or record or beneficial stockholder owning ten percent (10%) or more of the capital stock; and (iv) if such obligor is a trust, partnership, syndicate or corporation, all trusts, partnerships, syndicates and corporations of which any beneficiary, partner, member or record or beneficial stockholder owning ten percent
(10%) or more of the capital stock, is also a beneficiary, partner, member or record or beneficial stockholder owning ten percent (10%) or more of the capital stock of such obligor. A guarantor or endorser shall be considered an obligor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

81-12-9. The determination by the commissioner upon any
matter decided by him shall be final, subject to review by the
courts as provided herein.
SECTION 7. Section 81-12-11, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

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

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

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

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

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

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

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

81-12-24. (1) If, in the commissioner's opinion, after an examination, audit, or investigation, it is determined that any director or officer or any employee or controlling stockholder of any association has knowingly participated in or consented to any violation of this chapter, or any other law, rule, regulation or...
order, or any repeated violation of or failure to comply with any association's bylaws, and that as a result, a situation exists requiring immediate corrective action, the commissioner shall give notice to the board of directors of the association setting forth the violations and the remedies for same. Failure of the board of directors to comply with the requirements of the commissioner within ten (10) days from the date of the notice shall render the board of directors in default thereupon. Upon the expiration of such ten (10) days and upon continuation of such noncompliance and default, the commissioner may issue an order temporarily removing such person or persons cited for improper conduct as above described pending a hearing before the commissioner. In regard to a controlling stockholder, the commissioner may order the stockholder to place all his voting stock in a voting trust, the trustee of the voting trust to be designated by the commissioner. Any temporary order of removal shall state its duration on its face and the words "Temporary Order of Removal" and shall be effective upon issuance for a period of thirty (30) days and may be extended once upon written notice by the commissioner for an additional period of fifteen (15) days. A hearing upon such "Temporary Order of Removal" shall be held by the commissioner within the thirty-day period, or any extension thereof, upon not less than fifteen (15) days' notice to the removed person or persons by certified United States mail, restricted delivery, at which hearing the commissioner may dissolve the temporary order or make the same permanent. No removed person or persons shall receive any salary, compensation or remuneration from the association as an officer or director after the order is made permanent. Any temporary order of removal by the commissioner shall not be subject to judicial review in any form. Any final order of the commissioner may be appealed as provided in Section 81-12-205.
(2) Any removal pursuant to subsection (1) of this section shall be effective in all respects as if such removal had been made by the board of directors or the shareholders of the association in question.

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

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

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

81-12-25. Any five (5) or more individuals (hereinafter referred to as the "incorporators"), citizens of this state, may form a mutual association or capital stock association to promote thrift and home financing, subject to approval as hereinafter provided in this chapter, by filing with the commissioner, two (2) sworn duplicate originals of a petition for a certificate of incorporation in the form to be prescribed by the commissioner, accompanied by the proposed articles of incorporation and proposed bylaws, each in a form approved by the commissioner and accompanied by the incorporation fee. The proposed bylaws shall
make provisions for (a) annual meeting of members or stockholders, 
(b) special meeting of members or stockholders, (c) notice of 
meeting of members or stockholders, (d) procedure for nomination 
of directors, (e) meetings of board of directors, (f) resignation 
and removal of directors, (g) officers, (h) execution of 
instruments, (i) evidence of savings accounts, (j) corporate seal, 
(k) fiscal year, (l) amendments and (m) such other matters as may 
be prescribed by the commissioner by rule or regulation. The 
petitioners shall submit with their petition statements, exhibits, 
maps and other data which the commissioner may require, which data 
shall be sufficiently detailed and comprehensive to enable the 
commissioner to pass upon the petition as to the criteria set out 
in Section 81-12-27.

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

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

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

(b) There is public need for the proposed association 
and the interest of the public will be best served by granting the 
petition;
(c) The anticipated volume and type of business of the proposed association is such as to indicate profitable operation within a reasonable time; and
(d) The operation of the proposed association will not unduly harm any properly conducted financial institution serving the needs and existing in the community in which the principal office or any branch of the proposed association is to be located.

SECTION 14. Section 81-12-29, Mississippi Code of 1972, is reenacted as follows:
81-12-29. (1) Upon receipt of a petition for a certificate of incorporation to form an association, the complete filing and filing date to be determined by the commissioner, the commissioner shall, within fifteen (15) days of the determined filing date, give written notice to all financial institutions in the county in which the proposed association is to be located and to all financial institutions in the counties bordering the county in which the proposed association is to be located. Notice shall also be sent to all interested persons and shall be published one (1) time in a newspaper of general circulation in the county in which the proposed association is to be located. Such notice shall include the subject matter of the petition and shall invite persons to be heard by the board by sworn written statement or in person. Any financial institution opposing approval of the petition of incorporation shall file a sworn written statement of such opposition with the commissioner not later than the date fixed therefor by the commissioner in his notice. The statement of opposition shall set forth in summary form specific objections to the incorporation of the proposed association. The protestant shall, at the same time its statement of opposition is filed with the commissioner, furnish the petitioner a copy of such statement by first class United States mail. The protestant shall certify to the commissioner that he has furnished such statement to the petitioner.
(2) Within forty-five (45) days of the determined filing date of a petition for a certificate of incorporation to form an association, the commissioner, in writing, shall set a date for the hearing of such petition by the board to consider the petition and his findings, such date to be not earlier than sixty (60) days and not more than ninety (90) days from the determined filing date of the petition. Written notice of such hearing date shall be furnished by first class United States mail to the board members, the petitioner, the petitioner's attorney, and any protestants of record and their attorneys.

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

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

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

81-12-31. The board, at its meeting, shall consider the findings and recommendation of the commissioner and shall hear such oral testimony as he may wish to give or be called upon to give, and shall also receive information and hear testimony from the prospective incorporators of the proposed association and from any and all other interested persons bearing upon the approval of the petition and the operation of the new association. All witnesses shall be subject to cross-examination by any of the parties who are incorporators or objectors or by the board. After considering the findings, and recommendation submitted to it by the commissioner and his oral testimony, if any, and considering such other information and evidence, either written or oral, which has come before it, the board shall decide if it has before it sufficient information and evidence upon which it can dispose of
the petition for a certificate of incorporation to form an
association. If it is determined that evidence and information is
not sufficient, then the board shall order the commissioner to
secure such additional information and evidence as it may
prescribe or shall request such from the prospective incorporators
and from other interested persons. The board shall thereupon set
a date for a future meeting to be held in not less than forty-five
(45) nor more than sixty (60) days and shall give to the
prospective incorporators, financial institutions and other
interested persons the same notice of such meeting prescribed
above and shall recess the meeting then being held until such
future date. The board shall have and is hereby vested with the
d power to compel attendance of witnesses, just as is the
commissioner, and all testimony given before said board shall be
taken down and may be transcribed by a reporter at the request of
any interested party. If the board, or a majority thereof, shall
determine that it has before it sufficient evidence and
information upon which to base a decision, then it shall render a
written opinion and decision in the matter within sixty (60) days
of the last meeting. If its decision is favorable, then the board
shall issue a certificate of approval of incorporation of the
association.

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

81-12-33. (1) The commissioner shall file one (1) signed
copy of such certificate of approval and of the certificate of
incorporation with the Secretary of State. The commissioner shall
endorse upon the two (2) copies of the petition for certificate of
incorporation filed with him such certificate of approval and
return the duplicate original and a copy of the certificate of
incorporation to the association, addressed to the chairman of the
incorporators, and shall retain the original petition for
certificate of incorporation and a copy of the certificate of
incorporation in the permanent files of his office. He shall
return one (1) copy of the approved bylaws to the association,
addressed to the chairman of the incorporators, and retain in the
permanent files of his office the original signed copy of the
approved bylaws. The petition for certificate of incorporation,
the certificate of approval of incorporation, the certificate of
incorporation, and the bylaws shall not be filed or recorded in
any other state or county office. The failure of the commissioner
to file, return or retain any such document as above provided
shall not affect the validity of the incorporation of any
association.

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

SECTION 17. Section 81-12-35, Mississippi Code of 1972, is
reenacted as follows:
81-12-35. (1) A mutual association shall be organized in
accordance with this section. The incorporators shall appoint one
(1) of their number as chairman of the incorporators. The
incorporators, before a certificate of incorporation is issued,
shall pay in cash to such chairman, as subscription to the savings
accounts of any proposed association, including that part of the
original subscription paid by such chairman, an aggregate amount,
fixed as follows in relation to the population of the municipality
in which the home office of the association is to be located: (a)
in municipalities having not more than twenty-five thousand
(25,000) inhabitants, the minimum sum of Five Hundred Thousand
Dollars ($500,000.00); (b) in municipalities having more than
twenty-five thousand (25,000), but not more than one hundred
thousand (100,000) inhabitants, the minimum sum of One Million
Dollars ($1,000,000.00); (c) in municipalities having one hundred
thousand (100,000) or more inhabitants, the minimum sum of One
Million Five Hundred Thousand Dollars ($1,500,000.00). The
population of the municipality shall be determined by the
commissioner based upon the latest federal decennial census.

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

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

(4) Contributions made by the incorporators and others to
the expense fund may be repaid pro rata to the contributors from
the net income of the association after provision for statutory
reserves and declaration of earnings of not less than the contract
or prevailing rate whichever may be applicable. In case of the
liquidation of an association before contributions to the expense fund have been repaid, any contributions to the expense fund remaining unexpended, after the payment of expenses of liquidation, all creditors, and the withdrawal value of all savings accounts, shall be repaid to the contributors pro rata. The books of the association shall reflect the expense fund. Contributors to the expense fund shall, at the times earnings regularly are distributed to savings account holders, be paid earnings on the amounts paid in by them and remaining unreimbursed, and for such purpose such contributions shall be considered as savings accounts of the association.

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

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

81-12-37. A capital stock association shall be organized in accordance with this section. The incorporators shall appoint one of their number as chairman of the incorporators. The capital of a capital stock association shall be the sum of the par value of all shares of voting capital stock. The minimum required capital shall be: (a) in municipalities having not more than twenty-five thousand (25,000) inhabitants, the minimum sum of Five Hundred Thousand Dollars ($500,000.00); (b) in municipalities having more than twenty-five thousand (25,000), but not more than one hundred thousand (100,000) inhabitants, the minimum sum of One Million Dollars ($1,000,000.00); (c) in municipalities having more
than one hundred thousand (100,000) inhabitants, the minimum sum
of One Million Five Hundred Thousand Dollars ($1,500,000.00). The
population of the municipality shall be determined by the
commissioner based upon the latest federal census. No
commissions, fees or other remuneration shall be paid for the sale
of shares of capital stock necessary to meet the minimum capital
and paid-in surplus requirements of this section. No incentive
stock shall be issued. All stock shall be sold at not less than
par value.

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

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

SECTION 19. Section 81-12-39, Mississippi Code of 1972, is
reenacted as follows:
81-12-39. (1) After approval by the board of the petition for a certificate of incorporation, the proposed capital stock association shall file with the commissioner a statement in such form and with such supporting data and proof as it may require, showing that the entire capital including paid-in surplus has been fully and unconditionally paid in lawful cash money and that the funds representing such capital and paid-in surplus, less sums of the paid-in surplus spent with the approval of the commissioner for land, building, supplies, fixtures, equipment and organization, are on hand and that it has acquired insurance of accounts as provided in this chapter. If the board finds that the capital stock association has in good faith complied with all the requirements of law, it shall, within thirty (30) days after the filing of the said statement issue, in duplicate, under its official seal, a certificate of authorization to transact a general savings and loan business, transmitting one (1) copy to the association and placing one (1) copy in the department file. Said certificate shall state that the association named therein is authorized to transact a general savings and loan business. Should the board find that said statement does not comply with the law, it shall so notify the association and require such compliance as it finds necessary.

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

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

81-12-41. (1) The name of every association may include either the words "savings association," or "savings and loan association." If used, these words shall be preceded by an appropriate descriptive word or words approved by the
commissioner. An ordinal number may not be used as a single descriptive word preceding the words "savings association," or "savings and loan association," unless such words are followed by the words "of ___," the blank being filled by the name of the community, town, city or county in which the association has its home office. An ordinal number may be used, together with another descriptive word, preceding the words "savings association" or "savings and loan association," provided the other descriptive word has not been used in the corporate name of any other association in the state, in which case the suffix mentioned above is not required to be used. An ordinal number may be used, together with another descriptive word, preceding the words "savings association" or "savings and loan association," even when such other descriptive word has been used in the corporate name of an association in the state, provided the suffix "of ___," as provided above, is also used. The suffix provided above may be used in any corporate name. The use of the words, "National," "Federal," "United States," "Insured," "Guaranteed," or any form thereof, separately or in any combination thereof with other words or syllables, is prohibited as part of the corporate name of an association organized under this chapter. No certificate of incorporation of a proposed association having the same name as a corporation authorized to do business under the laws of this state or a name so nearly resembling it as to be likely to deceive shall be issued by the commissioner, except to an association formed by the reincorporation, reorganization, or consolidation of the association with other associations, or upon the sale of the property or franchise of an association.

(2) No person, firm, company, association, fiduciary, partnership or corporation, either domestic or foreign, unless he or it is lawfully authorized to do business in this state under the provisions of this chapter and actually is engaged in carrying on an association business shall do business under any name or
title which contains the terms "savings association," "savings and loan association," "building and loan association," "building association," or any combination employing either or both of the words "building" or "loan" with one or more of the words "saving," "savings," "thrift," or words of similar import, or any combination employing one or more of the words "saving," "savings," "thrift," or words of similar import with one or more of the words "association," "institution," "society," "company," "fund," "corporation," or words of similar import, or use any name or sign or circulate or use any letterhead, billhead, circular or paper whatever, or advertise or represent in any manner which indicates or reasonably implies that his or its business is the character or kind of business carried on or transacted by an association or which is likely to lead any person to believe that his or its business is that of an association. Upon application by the commissioner or any association, an injunction may issue to restrain any such entity from violating or continuing to violate any of the foregoing provisions of this subsection. Any person who violates any provision of this subsection shall be punished by a fine of not more than Five Thousand Dollars ($5,000.00), and each day of violation shall constitute a separate offense. The prohibitions of this subsection shall not apply to any corporation or association formed solely for the purpose of promoting the interests of thrift institutions, the membership of which is comprised of thrift institutions, their officers or other representatives.

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

81-12-43. (1) Without the prior approval of the commissioner or the board, as provided in this chapter, no association shall change its name or establish any office other than its home office, which shall be in the location named in the
certificate of incorporation. No office of an association shall be moved unless approved as provided in this chapter.

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

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

(b) (i) The proposed new location of the association shall be approved by a resolution adopted by the board of directors. Immediately preceding application to the commissioner for approval, notice of intention to change the location of the home office, signed by two (2) officers, shall be published once a week for two (2) successive weeks in a newspaper of general circulation in the county in which the home office is located, and a copy of such notice shall be displayed during such consecutive period of two (2) weeks in a conspicuous public place in the home office of the association. Five (5) copies of an application to the commissioner for approval shall be signed by two (2) officers
of the association and acknowledged before an officer competent to
take acknowledgments of deeds, and filed with the commissioner.

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

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

(3) Upon approval of an application for a change of name or
home office location, the commissioner shall endorse on each copy
of such application a certificate of approval, as provided in this
chapter. When the commissioner shall have endorsed such approval
upon the copies of an application for approval of change of name
or change of location of home office, he shall file one (1) copy
thereof with the Secretary of State, two (2) copies with the
federal home loan bank of which the association is a member,
return one (1) copy to the applicant association and retain the
original copy in the permanent files of his office.

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

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

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

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

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

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

(c) Merged into, been acquired by, or otherwise
consolidated with an existing association whose savings accounts
and share accounts are insured by the Federal Savings and Loan
Insurance Corporation or by some other federal agency or an agency of this state established for the purpose of insuring savings accounts of associations organized under this chapter; provided any merger into, acquisition by or consolidation with an insured association must have prior approval of the board; or

(d) Entered into voluntary or involuntary liquidation.

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

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

(4) Notwithstanding any other provision of state law to the contrary, if any association which obtained its charter of incorporation prior to July 1, 1977, and was organized and engaged in business on July 1, 1977, has not accomplished one (1) of the four (4) conditions prescribed in subparagraphs (a), (b), (c) and (d) of subsection (1) on July 1, 1977, the conservator appointed pursuant to Section 81-11-91 shall apply to the chancery court judge designated by the Supreme Court as hereinafter provided for appointment of a liquidating receiver for purposes of liquidating the assets of the association; however, if any such association shall furnish sufficient evidence satisfactory to the conservator appointed pursuant to Section 81-11-91 that a definite plan of accomplishment of one (1) of the four (4) conditions prescribed in
subsection (1) has been substantially completed, the conservator appointed pursuant to Section 81-11-91 may extend the time for taking action for the appointment of such receiver, but not beyond March 31, 1978, upon such terms and conditions as the conservator may prescribe. In the absence of a compelling reason to do otherwise, the chancery court judge shall appoint the conservator appointed pursuant to Section 81-11-91 as the liquidating receiver. For the purposes of this subsection, the Supreme Court, upon application of the conservator appointed pursuant to Section 81-11-91, shall designate a chancery court judge who shall, after such designation, have exclusive jurisdiction of all proceedings initiated under this subsection.

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

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

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

(a) To be organized for a period not to exceed ninety-nine (99) years, but renewable for additional periods of
ninety-nine (99) years in the same manner as the original charter was secured; to adopt and use a corporate seal, which may be affixed by imprint, facsimile or otherwise; and to adopt and amend bylaws as provided in this chapter;

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

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

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

(e) An association may borrow up to twenty-five percent (25%) of its savings liability and net worth for lending purposes; an association may borrow an additional twenty-five percent (25%) of its savings liability and net worth for the purpose of making loans guaranteed by the Federal Housing Administration, a private
mortgage guaranty insurance company licensed to do business in this state, or by the Veterans Administration; an association may borrow up to fifty percent (50%) of its savings liability and net worth to pay withdrawals. Borrowing of additional amounts for purchase or construction of a home office or branch office is authorized, but only with approval of the commissioner.

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

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

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

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

(i) To appoint officers, agents and employees as its business shall require and to provide them suitable compensation; to provide for life, health and casualty insurance for officers and employees, and to adopt and operate reasonable bonus plans and retirement benefits for such officers and employees; and to provide for reimbursement and indemnification of its officers, employees and directors as prescribed or permitted in this act, whether by insurance or otherwise;
(j) To become a member of, deal with or make reasonable payments or contributions to any organization to the extent that such organization assists in furthering or facilitating the association's purposes, powers or community responsibilities, and to comply with any reasonable conditions of eligibility;

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

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

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

(n) To service loans and investments for others;

(o) Upon application to and approval by the commissioner, to act as trustee, and to receive reasonable compensation for so acting, of any trust created or organized in the United States and forming part of a plan which qualifies for specific tax treatment under Section 401(d) of the Internal Revenue Code of 1954, including any Keogh or IRA plan, or any trust created or organized in the United States for the purpose of paying burial or cemetery expenses, if the funds of such trust are invested only in savings accounts or deposits in such association or in obligations or securities issued by such association. All funds held in such fiduciary capacity by any such association may be commingled for appropriate purposes of investment, but individual records shall be kept by the fiduciary for each participant and shall show in proper detail all transactions engaged in under the authority of this subsection;
(p) To acquire savings and pay earnings thereon, and to lend and invest its funds as provided in this chapter;
(q) To appoint a registered agent of the association upon whom any process, notice or demand required or permitted by law to be served on the association shall, if such agent is appointed, be served;
(r) To have and possess such of the rights, powers, privileges, immunities, duties and obligations of a federal savings and loan association located in this state as may be prescribed by the board by general regulation under the circumstances and conditions set out therein. In the event of a conflict between the provisions of this paragraph (r) and any other provision of this chapter, the provisions of this paragraph shall control;
(s) To act as agent for others in any transaction incidental to the operation of the association's business;
(t) To issue, sell or negotiate or advertise for the issuance and sale of debt securities to the extent authorized by the commissioner.

SECTION 25. Section 81-12-51, Mississippi Code of 1972, is reenacted as follows:
81-12-51. A capital stock savings and loan association (hereinafter referred to as a "capital stock association") shall have the powers enumerated in the preceding section, and shall have the following additional powers:

(a) Capital stock may be issued as follows:

(i) A capital stock association may issue the shares of stock authorized by its articles of incorporation and none other. Capital stock shall have the par value as stated in the articles of incorporation and, with the prior approval of the commissioner, may consist of common stock and preferred stock, which may be divided into classes and classes into series. Each kind, class and series may have such distinguishing
characteristics, including designations, preferences, or restrictions as regards dividends, redemption, voting powers or restrictions or qualifications of voting powers as are imposed in the articles of incorporation. Restrictions and qualifications of voting powers so imposed shall control in any case in which any vote or consent of stockholders is now or hereafter required by statute unless such statute shall expressly provide a voting procedure to the contrary.

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

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

(iv) Except as provided herein, the total of the par values of all outstanding shares of voting capital stock shall be the permanent capital of the association and shall not be retired until final liquidation of the association.
Notwithstanding the foregoing limitation, a capital stock association may reduce its permanent capital through a reduction of its outstanding voting capital stock pursuant to a plan adopted by its board of directors, and approved by an affirmative vote of a majority of the shares eligible to vote, and by an affirmative vote of two-thirds (2/3) of those shares present and voting, in person or by proxy, at an annual or special meeting of the stockholders of the association. In the event approval of any such plan for the reduction of stock as herein provided shall result in fractional shares, the association may acquire such fractional shares of its own stock by tender of payment of the price per share prior to such reduction as stipulated in the plan. Such tender may be made by bank check drawn upon association funds payable to the record holders of such fractional shares and mailed United States postage prepaid to such holders at the last address of record with the association. Pursuant to such plan, a capital stock association may purchase or redeem whole shares of its own stock at the price per share stipulated in the plan upon written assent of the holders thereof prior to such reduction. No plan for the reduction of the permanent capital or outstanding voting capital stock of an association shall be effective without first obtaining the written consent of the commissioner.

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

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

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

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

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

81-12-53. At an annual meeting or at any special meeting of the members called to consider such action, any mutual association as defined in this chapter may convert itself into a federal mutual savings association or federal mutual savings and loan association, hereinafter in this subsection called "federal association," in accordance with the provisions of the laws of the United States, as now or hereafter amended, upon an affirmative vote of fifty-one percent (51%) or more of the total number of votes of the members eligible to be cast. A copy of the minutes of the proceedings of such meeting of the members, verified by the
affidavit of the secretary or an assistant secretary, shall be filed in the office of the commissioner within ten (10) days after the date of such meeting. A sworn copy of the proceedings of such meeting, when so filed, shall be presumptive evidence of the holding and action of such meeting. Any member challenging the accuracy of such minutes by sworn objection may appeal to the commissioner. Within three (3) months after the date of such meeting, the association shall take such action in the manner prescribed and authorized by the laws of the United States as shall make it a federal association. There shall be filed with the commissioner a copy of the charter issued to such federal association by the appropriate federal regulatory authority or a certificate showing the organization of such association as a federal association, certified by the secretary or assistant secretary of the appropriate federal regulatory authority. A similar copy of the charter, or of such certificate, shall be filed by the association with the Secretary of State. No failure to file any such instruments with either the commissioner or the Secretary of State shall affect the validity of such conversion. Upon the grant to any association of a charter by the appropriate federal regulatory authority, the association receiving such charter shall cease to be an association incorporated under this chapter and shall no longer be subject to the supervision and control of the commissioner. Upon the conversion of any association into a federal association, the corporate existence of such association shall not terminate, but such federal association shall be deemed to be a continuation of the entity of the association so converted and all property of the converted association, including its rights, titles and interests in and to all property of whatever kind, whether real, personal or mixed, and things in action, and every right, privilege, interest and asset then existing, or pertaining to it, or which may inure to it, shall immediately by operation of law and without any
conveyance or transfer and without any further act or deed remain
and be vested in and continue and be the property of such federal
association into which the association has converted itself, and
such federal association shall have, hold and enjoy the same in
its own right as fully and to the same extent as the same was
possessed, held and enjoyed by the converting association, and
such federal association, as of the time of the taking effect of
such conversion, shall continue to have and succeed to all the
rights, obligations and relations of the converting association.
All pending actions and other judicial proceedings to which the
converting association is a party shall not be deemed to have
abated or to have discontinued by reason of such conversion, but
may be prosecuted to final judgment, order or decree in the same
manner as if such conversion into such federal association had not
been made and such federal association resulting from such
conversion may continue such action in its corporate name as a
federal association, and any judgment, order or decree may be
rendered for or against it which might have been rendered for or
against the converting association theretofore involved in such
judicial proceedings. Any association or corporation which has
heretofore converted itself into a federal association under the
provisions of the laws of the United States and has received a
charter from the appropriate federal regulatory authority shall
hereafter be recognized as a federal association, and its federal
charter shall be given full recognition by the courts of this
state to the same extent as if such conversion had taken place
under the provisions of this section; however, there shall have
been compliance with the foregoing requirements with respect to
the filing with the commissioner of a copy of the federal charter
or a certificate showing the organization of such association as a
federal association.

SECTION 27. Section 81-12-55, Mississippi Code of 1972, is

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

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

81-12-57. If the board of directors determines, and the commissioner concurs, that substantial business benefit to the association will or may result, and if federal law, regulations or
administrative rulings authorize federal associations to convert
to capital stock associations, the voting members of a mutual
association organized pursuant to this chapter, or otherwise
subject to the provisions of this chapter or a federal mutual
savings or savings and loan association (hereinafter in this
subsection referred to as a "federal association") located in this
state may vote to convert the association into a total or partial
capital stock association by adopting a plan of conversion which
is approved by the commissioner.

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

(b) Copies of the minutes of the meeting of members,
verified by the affidavit of the secretary or assistant secretary
of the association, shall be filed in the office of the department
and with the appropriate federal regulatory authority within a
reasonable time after the meeting. When so filed, the verified
copies of the minutes are presumptive evidence of the holding of
the meeting and of the action taken. Any member or stockholder
challenging the accuracy of such minutes by sworn objection may appeal to the commissioner.

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

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

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

81-12-59. With respect to a conversion arising under Section 81-12-57 above, the commissioner may hold a hearing upon the plan of conversion. A hearing may be held by the commissioner on his own motion or upon application of the converting association or any member thereof and shall be held upon application by the holders of five percent (5%) or more in amount of the association's savings accounts. All persons to whom it is proposed to issue capital stock in connection with the conversion
may appear at any hearing, and notice of the time and place of the
hearing shall be given to all such persons in person or by mail at
least thirty (30) days before the hearing by the association.
Evidence satisfactory to the commissioner that the notice has been
given shall be submitted to the commissioner at least ten (10)
days prior to the hearing. Following the hearing, the
commissioner may approve the terms of the plan of conversion, may
reject the same or approve the same upon condition that portions
thereof may be modified. All costs to the state resulting from
conversions under this section shall be paid by the association
making application for conversion.

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

81-12-61. (1) A capital stock association organized under
this chapter may vote to convert itself into a federal mutual or
capital stock savings or savings and loan association, hereinafter
in this subsection referred to as a "federal association," at any
legal meeting called to consider the action. The required
affirmative vote to effect the conversion shall be not less than
sixty-six and two-thirds percent (66-2/3%) of the issued and
outstanding stock of such association. Notice of the meeting
giving the time, place and purpose thereof, together with a proxy
statement and proxy form covering all matters properly brought
before the meeting shall be mailed at least thirty (30) days prior
thereto to the commissioner and the appropriate federal regulatory
authority and to each stockholder at his last address as shown on
the books of the association. A copy of the minutes of the
proceedings of the meeting, verified by the affidavit of the
secretary or an assistant secretary of the association, shall be
filed in the office of the commissioner within ten (10) days after
the date of the meeting. When filed, a verified copy of the
proceedings of the meeting is presumptive evidence of the holding
of the meeting and of the action taken. Any stockholder
challenging the accuracy of such minutes by sworn objection may appeal to the commissioner. Within three (3) months after the date of the meeting, the association shall take such further action, in the manner prescribed and authorized by the laws of the United States, as shall make it a federal association. Three (3) copies of the charter issued by the appropriate federal regulatory authority, or three (3) copies of a certificate showing the organization of the association as a federal association, certified by the secretary or an assistant secretary of the appropriate federal regulatory authority shall be filed with the commissioner. Upon the payment of the fees prescribed by law, the commissioner shall note the filing upon each of the copies and shall retain one (1) copy in his office, file one (1) copy with the Secretary of State, and return one (1) copy to the association. The failure to file the instruments with the commissioner shall not affect the validity of the conversion. Upon the grant to any association of a charter by the appropriate federal regulatory authority, the association shall cease to be an association incorporated under this chapter and shall no longer be subject to the supervision and control of the department. All provisions regarding property and other rights contained in Section 81-12-53 above apply to the conversion of a capital stock association into a federal association.

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

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

(ii) That each savings account holder of record as provided in paragraph (iii) will be entitled to receive voting stock or rights to purchase voting stock in equal proportion to the amount his account bears to all savings accounts;
(iii) That the record date fixed by the commissioner for determining savings account holders is to be used. During the month of January each year the commissioner shall publish a record date which shall be used in determining the respective interests of account holders. The date shall be not more than eighteen (18) months prior to its publication;

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

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

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

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

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

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

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

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

(vi) That no more than ten percent (10%) of the voting stock proposed to be issued pursuant to the plan of conversion is reserved by the association for stock options for officers and employees.
SECTION 31. Section 81-12-63, Mississippi Code of 1972, is reenacted as follows:

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

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

81-12-65. Pursuant to a plan adopted by the board of directors and approved by the commissioner as equitable to the members of the association and as not impairing the usefulness and success of other properly conducted associations in the community and serving the needs of the community, an association shall have power to reorganize or to merge or consolidate with another association or federal association within its primary lending area, provided that the plan of such reorganization, merger or consolidation shall be approved at an annual meeting or at any special meeting of the members or stockholders called to consider such action by an affirmative vote of fifty-one percent (51%) or more of the total number of votes of the members or an affirmative vote of sixty-six and two-thirds percent (66-2/3%) of those shares of stock of such association voted, in person or by proxy. Any such plan must set forth (a) the names of the associations proposing to merge or consolidate and the name of the association into which they propose to merge or consolidate, which is herein designated as "the surviving association"; (b) the terms and conditions of the proposed merger or consolidation and the mode of carrying it into effect; (c) the manner and basis of converting the savings accounts of each merging or consolidating association into savings accounts of the surviving association; (d) the manner and basis of the cancellation and issuance of the capital stock of the merging and surviving associations; (e) a statement of any changes in the articles of incorporation of the surviving association.
association to be effected by the merger or consolidation; (f) a statement of the contracts pertaining to the employment, or the retention as consultant, of officers and directors of the merged or consolidated association; and (g) such other provisions with respect to the proposed merger or consolidation as are deemed necessary or desirable by the boards of directors or the commissioner. In all cases the corporate continuity of the resulting corporation shall possess the same incidents as that of an association which has converted in accordance with this chapter. No association, directly or indirectly, shall reorganize, merge, consolidate, or acquire substantially all of the assets of or assume substantially all of the liabilities of any financial institution or any other organization, person or entity, except as specifically authorized by this chapter. The charter of any association which does not survive a reorganization, merger or consolidation shall be surrendered to the commissioner and the Secretary of State on the effective date of such reorganization, merger, or consolidation and promptly cancelled by him.

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

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

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

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

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

(2) As used in this section, unless the context otherwise requires:
(a) "Business organization" or "company" means any corporation, partnership, trust, joint stock company or similar organization, but does not include any company the majority of the stock of which is owned by the United States or this state, by an officer of the United States or this state in his official capacity, or by an instrumentality of the United States or this state.

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

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

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

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

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

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

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

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

(a) Unless organized pursuant to the laws of this state, and not controlled by a business organization organized
under the laws of another jurisdiction, no business organization shall either directly or indirectly control any association located in this state.

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

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

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

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

(2) Upon such vote, five (5) copies of a certificate of dissolution, which shall state the vote cast in favor of dissolution, shall be signed by two (2) officers and acknowledged before an officer competent to take acknowledgments of deeds. Five
(5) copies of such certificate shall be filed with the commissioner, who shall examine such association, and, if he finds that it is not in an impaired condition, shall so note, together with his approval of such dissolution, upon all the copies of the certificate of dissolution. The commissioner shall place a copy in the permanent files in his office, file a copy with the Secretary of State, and return the remaining copies to the parties filing the same.

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

(4) The board of directors shall act as trustees for liquidation as provided in this section. They shall proceed as quickly as may be practicable to wind up the affairs of the association and, to the extent necessary or expedient to that end, shall exercise all the powers of such dissolved association and, without prejudice to the generality of such authority, may fill vacancies, elect officers, carry out the contracts, make new contracts, borrow money, mortgage or pledge the property, sell its assets at public or private sale, or compromise claims in favor of or against the association, apply assets to the discharge of liabilities, distribute assets either in cash or in kind among savings account members or savings account holders according to their respective pro rata interests after paying or adequately providing for the payment of other liabilities, distribute assets either in cash or in kind among stockholders, and perform all acts necessary or expedient to the winding up of the association. Provided, however, that upon liquidation, savings account holders shall be first paid the value of their accounts, if such funds are available, before any sums are paid to the stockholders. All
deeds or other instruments shall be in the name of the association
and executed by the president or a vice president and the
secretary or an assistant secretary. The board of directors shall
also have power to exchange or otherwise dispose of or to put in
trust all or substantially all or any part of the assets, upon
such terms and conditions and for such considerations, which may
be money, stock, bonds, shares or accounts of any insured
association, or of any federal association, or other instruments
for the payment of money, or other property, or other
considerations, as the board of directors may deem reasonable or
expedient, and may distribute such considerations or the proceeds
thereof, or trust receipts, or certificates of beneficial interest
among the savings account members or savings account holders in
proportion to their pro rata interests therein.

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

SECTION 36. Section 81-12-71, Mississippi Code of 1972, is
reenacted as follows:
81-12-71. (1) An annual meeting of the members of each mutual association shall be held as fixed in the bylaws of such association. Special meetings may be called as provided in the bylaws.

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

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

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

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

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

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

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

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

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

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

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

81-12-77. (1) Every member, savings account holder or borrower shall have the right to inspect the books and records of
an association as pertain to his loan or savings account. Otherwise, the right of inspection and examination of the books and records shall be limited (a) to the commissioner or his duly authorized representatives as provided in this chapter, (b) to persons duly authorized to act for the association, (c) officers and directors of the association, and (d) to any federal or state instrumentality or agency authorized to inspect or examine the books and records of an insured association. The books and records pertaining to the accounts and loans of members, savings account holders, and borrowers shall be kept confidential by the association, its directors, officers and employees, and by the commissioner, his examiners and representatives, except where the disclosure thereof shall be compelled by a court of competent jurisdiction, and no member or any other person shall have access to the books and records or shall be furnished or shall possess a partial or complete list of the members, savings account holders, or borrowers except upon express action and authority of the board of directors. This shall in no way be construed to prevent the commissioner from performing his duties under this chapter in any form permitted by law.

(2) In the event, however, that any member or members desire to communicate with the other members of the association with reference to any question pending or to be presented for consideration at a meeting of the members, the association shall furnish upon request a statement of the approximate number of members of the association at the time of such request, and an estimate of the cost of forwarding such communication. The requesting member or members shall then submit the communication, together with a sworn statement that the proposed communication is not for any reason other than the business welfare of the association, to the commissioner who, if he finds it to be appropriate, truthful and in the best interests of the association and its members, shall execute a certificate setting out such
findings, forward the certificate together with the communication, which may be sealed and its contents protected, to the association, and direct that the communication be prepared and mailed by the association to the members upon the requesting member's or members' payment to it of the expense of such preparation and mailing. If the commissioner finds such proposed communication to be inappropriate, untruthful or contrary to the best interests of the association and its members, he shall have the discretion to make any disposition of the request to communicate which he deems proper and he shall execute a certificate setting out such findings and deliver it to the requesting member together with his order making disposition of the request.

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

81-12-79. The commissioner shall call upon each association for the reports required in this section. Such calls shall be made by the commissioner in writing by letter or other similar means of written communications for the same dates and as often as calls are issued by the appropriate federal regulating authority for reports from federal associations. The commissioner shall prescribe the forms for such reports. The reports shall be sworn to by either the president, vice-president or cashier of the association making them, attested by not less than two (2) of the board of directors, and shall exhibit in detail, under appropriate heads, the total resources and total liabilities of the association on the day specified by the commissioner. Associations shall transmit to the department such call reports within a time limitation established by regulation by the commissioner; however, such time limitation cannot exceed that set by the Federal Deposit Insurance Corporation for state insured associations. For any failure or delay in furnishing this report, the president, vice-president or cashier of any such association,
so in default, and the members of the board of directors of the
association refusing to attest the report, shall be subject to an
administrative fine, which may be imposed by the commissioner, of
Fifty Dollars ($50.00) a day for each day while in such default.

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

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

(2) In order to qualify as a director, a member of an
association must hold individually, or jointly with his spouse, a
savings account, the withdrawal value of which is at least Five
Hundred Dollars ($500.00); provided that if the assets of the
association exceed Five Million Dollars ($5,000,000.00), the
withdrawal value of such account must be at least One Thousand
Dollars ($1,000.00). No member shall be eligible for election or
shall serve as a director or officer of an association who has
been convicted of a criminal offense involving dishonesty or a
breach of trust. A director shall cease to be a director when he
ceases to be a member, or when he is adjudicated a bankrupt or is
convicted of a criminal offense as herein provided, or when the
net equity above loans of all savings accounts in the association
held by him aggregates for a period of thirty (30) consecutive
days less than the minimum required to be eligible for election as
a director, but no action of the board of directors shall be
invalidated through the participation of such director in such
action unless the vote of such director be challenged prior to
such action; provided that if a director becomes ineligible under
the terms of this subsection by reason of the exercise by the
association of the right of redemption of savings accounts
provided for in Section 81-12-153 he shall remain validly in office until the expiration of his term or until he otherwise becomes ineligible, resigns or is removed, whichever may occur first.

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

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

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

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

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

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

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

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

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

(2) The term of office of the directors shall be for one (1) year; provided that when the board of directors shall consist of nine (9) or more members, in lieu of electing the whole number of directors annually, the articles of incorporation may provide that the directors be divided into either two (2) or three (3) classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of the shareholders after their election; that of the second class to expire at the second annual meeting after their election; and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two (2) classes, or until the third succeeding annual meeting, if there be three (3) classes. No classification of directors shall be effective prior to the first annual meeting of shareholders.
(3) Every director must, during his whole term of service, be a citizen of the United States, and at least three-fifths (3/5) of the directors must have resided in this state for at least one year preceding their election and must be residents therein during their continuance in office. No person shall be eligible for election or shall serve as a director or officer of a capital stock association who has been convicted of a criminal offense. A director or officer shall automatically cease to be a director when he is adjudicated a bankrupt or convicted of a criminal offense. However, no action of the board of directors shall be invalidated through the participation of such director in such action unless challenge is made to such director's vote prior to such action. Each director shall, in his own name, own capital stock in, or have a deposit relationship with, the association on an unencumbered basis as follows:

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

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

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

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

For associations that cross the Fifty Million Dollar ($50,000,000.00) threshold, the commissioner shall allow a reasonable period for the directors to comply with the ownership interest requirement.
(4) Each director, upon assuming office, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such capital stock association and will not knowingly violate or permit to be violated, any of the provisions of this chapter, and a written copy of such oath shall be filed with the commissioner.

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

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

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

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

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

81-12-87. Directors and officers occupy a fiduciary relationship to the association of which they are directors or officers, and no director or officer shall engage or participate, directly or indirectly, in any business or transaction conducted on behalf of or involving the association, which would result in a conflict of his own personal interests with those of the association which he serves. Without limitation by any of the
specific provisions of any of the subsections hereof, the commissioner may require the disclosure by directors, officers and employees of any personal interest, directly or indirectly, in any business or transactions on behalf of or involving the association and of their control of or active participation in enterprises having activities related to the business of the association. The following restrictions governing the conduct of directors and officers expressly are specified, but such specification is not to be construed in any manner as excusing such persons from the observance of any other aspect of the general fiduciary duty owed by them to the association which they serve:

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

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

(c) Loans aggregating fifteen percent (15%) of the unimpaired capital and unimpaired surplus may be made by any association to any director or executive officer thereof, as defined in Regulation O promulgated by the Board of Governors of the Federal Reserve System, less existing direct and indirect liabilities thereto, upon affirmative approval of a majority of all directors spread on the minutes of a directors' meeting held before such loan is made, provided, such loan is made on substantially the same terms and conditions extended to other borrowers for comparable transactions. Any association may lend to any such director or executive officer thereof, upon
affirmative approval of a majority of all directors spread on the minutes of a directors' meeting held before such loan is made, not more than twenty percent (20%) of the unimpaired capital and unimpaired surplus of the association, less the amount of existing direct and indirect liabilities, when secured; or when the portion thereof in excess of any amount loaned under the first provision hereof is secured by obligations of the United States Government, the State of Mississippi, and the levee districts, counties, road districts, school districts, and municipalities of the State of Mississippi, obligations of any other state of the United States and other bonds of recognized character and standing, which are the subject of daily newspaper market quotations, provided such loan shall not exceed eighty percent (80%) of the market or par value (whichever is less) of the bonds or obligations offered as security. Any association may lend to any executive officer or director thereof upon affirmative approval of a majority of all directors spread on the minutes of a directors' meeting held before such loan is made, such amount as is safe and proper, when secured by warehouse receipts or shippers' order bills of lading representing actual existing values, provided the amount loaned shall not exceed eighty percent (80%) of the market value of the commodities representing the actual existing values, and loans of this nature shall be made payable on demand so that the security held therefor may be sold on any date and the proceeds thereof applied to the payment of the loan. However, an association's board of directors may, as shown in its minutes, give to an association officer the authority to make secured or unsecured loans to an executive officer or director of such association, without receiving the board's prior approval, in an amount that, when aggregated with the amount of all other extensions of credit to that person and to all related interests of that person, does not exceed the greater of Twenty-five Thousand Dollars.
($25,000.00) or five percent (5%) of the association's unimpaired capital and unimpaired surplus.

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

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

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

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

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

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

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

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

(i) Any violation of the provisions of this section shall be punishable by not more than five (5) years' imprisonment or a fine of not more than Five Thousand Dollars ($5,000.00).
SECTION 45. Section 81-12-89, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

(b) Reasonable expenses, including fines and penalties, incurred in connection with a criminal or civil action, suit or proceeding in which such person has been adjudicated guilty, negligent or liable, if it shall be determined by the board of directors that the person's action, suit or proceeding was lawful and not in bad faith.
directors and the commissioner that such person was acting in good
faith and in what he believed to be the best interests of the
association and without knowledge that the action was illegal and
if such indemnification or reimbursement is approved at an annual
or special meeting of the members or stockholders by a majority of
the votes eligible to be cast. Amounts paid to the association,
whether pursuant to judgment or settlement by any person within
the meaning of this section, shall not be indemnified or
reimbursed in any case.

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

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

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

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

SECTION 49. Section 81-12-97, Mississippi Code of 1972, is
reenacted as follows:
81-12-97. (1) Each branch office shall keep detailed records of all transactions at such branch office and shall furnish full control records to the home office, except as permitted below.

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

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

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

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

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

(2) Every association shall close its books annually.

(3) No association by any system of accounting or any device of bookkeeping shall, either directly or indirectly, enter any of its assets upon its books in the name of any other person,
partnership, association or corporation or under any title or designation that is not truly descriptive of such assets.

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

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

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

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

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

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

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

SECTION 55. Section 81-12-109, Mississippi Code of 1972, is

reenacted as follows:

81-12-109. Every association shall maintain membership and

stockholder records, which shall show the name and address of the

member or stockholder, the status of the member as a savings

account holder, or an obligor, or a savings account holder and

obligor, and the date of membership or ownership of stock. In the

case of members holding a savings account the association shall

obtain a savings account contract containing the signature of each

holder of such account or his duly authorized representative, and

shall preserve such contract in the records of the association.

SECTION 56. Section 81-12-111, Mississippi Code of 1972, is

reenacted as follows:

81-12-111. Any association may cause any or all records kept

by such association to be copied or reproduced by any photostatic,

photographic or microfilming process which correctly and

permanently copies, reproduces or forms a medium for copying or

reproducing the original record on a film or other durable

material, and such association may thereafter dispose of the

original record. Any such copy or reproduction shall be deemed to

be an original record for all purposes and shall be treated as an

original record in all courts or administrative agencies for the

purpose of its admissibility in evidence. A facsimile,

exemplification or certified copy of any such copy or reproduction

reproduced from a film record shall, for all purposes, be deemed a

documentary facsimile, exemplification or certified copy of the original

record.

SECTION 57. Section 81-12-113, Mississippi Code of 1972, is

reenacted as follows:

81-12-113. Every association shall set up and maintain the

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

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

81-12-115. The savings liability of an association is not
limited, but shall consist only of the aggregate amount of savings
accounts of its members or savings account holders, plus earnings
credited to such accounts, less redemption and withdrawal
payments. Except as limited by the board of directors from time
to time, a member or savings account holder may make additions to
his savings accounts in such amounts and at such times as he may
elect. The members or savings account holders of an association
shall not be responsible for any losses which its savings
liability shall not be sufficient to satisfy, and savings accounts
shall not be subject to assessment. Earnings shall be declared in
accordance with the provisions of this chapter. Except as
provided in Section 81-12-153, no association shall prefer one (1)
of its savings accounts over any other savings account as to the
right to participate in earnings. No preference between savings
account members or savings account holders shall be created with
respect to the distribution of assets upon voluntary or
involuntary liquidation, dissolution or winding up of an
association. No association shall issue, sell, negotiate or
advertise any type of savings account or debt security, except as
authorized by this chapter, nor shall it contract with respect to
any savings account or other account in a manner inconsistent with
the provisions of this chapter.
SECTION 59. Section 81-12-117, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

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

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

81-12-123. Upon the filing with an association by the holder of record as shown by the books of the association, or by his
legal representative, of an affidavit to the effect that the
account book or certificate evidencing his savings account with
the association has been lost or destroyed, and that such account
book or certificate has not been pledged or assigned in whole or
in part, such association shall issue a new account book or
certificate in the name of the holder of record, such evidence
stating that it is issued in lieu of the one lost or destroyed,
and the association shall in no way be liable thereafter on
account of the original account book or certificate, provided that
the board of directors shall, if in its judgment it is necessary,
require a bond in an amount it deems sufficient to indemnify the
association against any loss which might result from the issuance
of such new account book or certificate.

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

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

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

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

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

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

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

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

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

81-12-133. Any association may continue to recognize the authority of an attorney in fact authorized in writing to manage or to make withdrawals either in whole or in part from the savings account of a member or savings account holder until it receives written notice or is on actual notice of the revocation of his authority. For the purposes of this section, written notice of the death or adjudication of incompetency of such savings account holder shall constitute written notice of revocation of the authority of his attorney. No such institution shall be liable for damages, penalty or tax by reason of any payment made in accord with this section.
SECTION 68. Section 81-12-135, Mississippi Code of 1972, is reenacted as follows:

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

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

81-12-137. (1) Accounts may be in the name of two (2) or more persons, whether minor or adult, in such form that the monies
in the accounts are payable to either, or the survivor or survivors, and such money due under such accounts and all additions thereto shall be the property of such persons as joint tenants with the right of survivorship. The monies due under such accounts may be paid to or on the order of any one of such persons during his lifetime or to or on the order of any one of the survivors of them after the death of any one or more of them. The opening of the account in such form shall be conclusive evidence as to the liability of the association only in any action or proceeding to which the association is a party, of the intention of all of the parties to the account to vest title to money due under the account and the additions thereto in such survivor or survivors. By written instructions given to the association by all the parties to the account, the signatures of more than one (1) of such persons during their lifetime or of more than one (1) of the survivors after the death of any one (1) of them may be required for withdrawal, in which case the association shall pay the monies in the account only in accordance with such instructions, but no such instructions shall limit the right of the survivor or survivors to receive the money in the account. By written agreement with the association, any person may create a joint account with other persons as joint tenants with the right of survivorship and said agreement may be signed only by the persons creating said account.

(2) The association, unless instructed in writing to the contrary, may loan money to any one or more persons constituting a single membership or account as joint tenants with the right of survivorship, and any person authorized to make withdrawals as provided in this section may pledge, hypothecate or assign all or any part of the money due or to become due under such account. Any such pledge, hypothecation or assignment or any increase to or withdrawal from the account shall not destroy the joint tenancy with right of survivorship.
(3) Payment of all or any of the monies in such account, as provided in this section, shall discharge the association from liability with respect to the monies so paid, prior to receipt by the association of a court order. After receipt of such court order, an association may refuse, without liability, to honor any withdrawal on the account pending determination of the rights of the parties. No association paying any survivor in accordance with the provisions of this section shall thereby be liable for any estate, inheritance or succession taxes which may be due this state.

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

81-12-139. Any association may accept accounts in the name of any administrator, executor, guardian, trustee or other fiduciary in trust for a named beneficiary or beneficiaries. Any such fiduciary shall have power to vote as a member as if any membership account were held absolutely, to make payments upon, and to withdraw any such account, in whole or in part. The withdrawal value of any such account, or other rights relating thereto may be paid or delivered, in whole or in part, to such fiduciary, without regard to any notice to the contrary, as long as such fiduciary is living. The payment or delivery to any such fiduciary or a receipt of acquittance signed by any such fiduciary to whom any such payment or any such delivery of rights is made shall be valid and sufficient release and discharge of any association for the payment or delivery so made. Whenever a person holding an account in a fiduciary capacity dies and no written notice of the revocation or termination of the trust relationship shall have been given to an association and the association has no notice of any other disposition of the trust estate, the withdrawal value of such account, or other rights relating thereto may, at the option of an association, be paid or delivered, in whole or in part, to the beneficiary or
beneficiaries of such trust. Whenever an account shall be opened by any person describing himself in opening such account as trustee for another and there is no other or further notice of the existence and terms of a legal and valid trust, then such description shall be given in writing to such association. In the event of the death of the person so described as trustee, the withdrawal value of such account or any part thereof may be paid to the person for whom the account was thus stated to have been opened, and such account and all additions thereto shall be the property of such person, unless prior to payment the trust agreement is presented to the association showing a contrary interest. When made in accord with this section, the payment or delivery to any such beneficiary, beneficiaries or designated person, or a receipt or acquittance signed by any such beneficiary, beneficiaries or designated person for any such payment or delivery shall be valid and sufficient release and discharge of an association for the payment or delivery so made. Trust accounts permitted by this chapter shall not be required to be acknowledged and recorded. When an account is opened in a form described in this section, the right set forth in Section 81-12-145 shall apply. No association paying any beneficiary in accordance with the provisions of this section shall thereby be liable for any estate, inheritance or succession taxes which may be due this state.

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

81-12-141. When an account is held in any association by a person residing in another state or country, the account, or any part thereof not in excess of Two Thousand Five Hundred Dollars ($2,500.00), may be paid to the administrator or executor appointed in the state or country where the account holder resides at the time of death, provided such administrator or executor has furnished the association with (a) authenticated copies of his
letters and of the order of the court which issued the letters to
him authorizing him to collect, receive and remove the personal
estate, and (b) an affidavit by the administrator or executor that
to his knowledge no letters are then outstanding in this state and
no petition for letters by an heir, legatee, devisee or creditor
of the decedent is pending on the estate in this state, and that
there are no creditors of the estate in this state. Upon payment
or delivery to such representative after receipt of the affidavit
and authenticated copies, the association is released and
discharged to the same extent as if the payment or delivery had
been made to a legally qualified resident executor or
administrator, and is not required to see to the application or
disposition of the property. No action at law or in equity shall
be maintained against the association for payment made in
accordance with the above provisions.

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

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

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

81-12-145. Accounts payable at death may be established
under the following conditions:
(a) An account in an association may be opened by any person or persons with directions to make such an account payable on the death of the person or persons opening such an account to the named beneficiary or beneficiaries. When an account is so opened, the association shall pay any monies to the credit of the account from time to time to, or pursuant to the order of the person or persons opening such an account during his or their lifetime in the same manner as if the account were in the sole name or names of such person or persons.

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

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

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

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

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

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

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

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

(e) Where such account is opened or subsequently held by more than one (1) person, the association, in the absence of any written instructions to the contrary, consented to by the association, shall accept payments made to such account and may pay any monies to the credit of such account from time to time to, or pursuant to the order of, either or any of said persons during
their life or lives in the same manner as if the account were in
the sole name of either or any of such persons.

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

(g) If the named beneficiary predeceases the person
opening such an account, the present beneficial interest presumed
to be vested in the named beneficiary pursuant to subsection (f)
of this section shall terminate at the death of the named
beneficiary. In such case, the personal representatives of the
named beneficiary, and all others claiming through or under the
named beneficiary, shall have no right in or title to the monies
to the credit of the account, and the association shall pay such
monies, less all proper setoffs and charges, to the person opening
such an account, or pursuant to his order, in the same manner as
if the account were in the sole name of the person opening such an
account; provided, however, where such an account names more than
one (1) beneficiary, the death of one (1) of the beneficiaries so
named shall not terminate the account and the account shall
continue as to the surviving beneficiary or beneficiaries subject
to the provisions of subsections (c) through (i) of this section.

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

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

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

81-12-147. (1) Administrators, executors, custodians,
guardians, trustees, pension funds and other fiduciaries of every
kind and nature, insurance companies, business and manufacturing
companies, banks, credit unions and all other types of financial
institutions, charitable, educational and eleemosynary
institutions and organizations hereby are specifically authorized
and empowered to invest funds held by them, without any order of
any court, in savings accounts of associations which are under
state supervision, and in accounts of insured associations, and
such investments shall be deemed and held to be legal investments
for such funds. With respect to investments by custodians,
associations hereby are deemed to be qualified institutions within
the meaning of that term as used in the Uniform Gifts to Minors Law of this state.

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

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

81-12-149. An association may pay earnings on its savings accounts from sources available for payment of earnings at such rate and at such times and for such time or notice periods as shall be determined by resolution of its board of directors subject to such rules and regulations promulgated by the commissioner. Except for accounts which shall be classified according to a specified contractual time or notice period, earnings shall be declared on the withdrawal value of each savings account at the beginning of the accounting period, plus additions thereto made during the period (less amounts previously withdrawn and noticed for withdrawal, which for earnings purposes shall be deducted from the latest previous additions thereto) computed at the declared rate for the time the funds have been invested, which time shall be fixed by the bylaws of the association. No earnings shall be declared or paid for an accounting period unless the allocation to the general reserve for the preceding accounting period required herein has been made. The board of directors, by resolution, may determine that earnings shall not be paid on any savings account which has a withdrawal value of a specified amount less than Fifty Dollars ($50.00) or which by written agreement is intended to be closed within a specified period less than fifteen (15) months after the date on which such savings account is opened, provided that an exception may be made and earnings paid
on savings accounts opened pursuant to Sections 81-12-129 and 81-12-131. The directors shall determine by resolution the method of calculating the amount of any earnings on savings accounts as herein provided, and the time or times when earnings are to be declared, paid or credited.

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

81-12-151. Any savings account holder or other account holder or his authorized representative may at any time present a written application for withdrawal of all or any part of his savings account or other account. Every association shall pay, except as provided below, every withdrawal application in the amount stated thereon in the form of cash or one or more checks or similar instruments payable to the order of the account holder. However, if a federal savings and loan association located in this state acquires the right and power to pay withdrawal applications in the form of checks or similar instruments payable to the order of others than the account holder as directed, or by the transfer of credits to the account or accounts of others in an institution as directed, then an association incorporated pursuant to or operating under the provisions of this chapter may have and possess the same rights and powers if prescribed by the board pursuant to subsection (r) of Section 81-12-49. No withdrawal shall be made in excess of the withdrawal value of such savings account or accounts, together with any earnings which may have been declared and may have accrued thereon for the current period. The payment of withdrawals from savings accounts shall be subject to the right of the association to require notice not to exceed thirty (30) days and shall be subject to such rules and procedures as may be prescribed by regulations of the commissioner, but any association which, except as authorized in writing by the commissioner, fails to make full payment of any withdrawal when
due shall be deemed to be in an impaired condition to transact
business within the meaning of Section 81-12-183 of this chapter.

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

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

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

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

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

(b) Not in excess of twenty-five percent (25%) of its
assets in (i) bonds, notes or other evidences of indebtedness
which are a general obligation of, or guaranteed as to principal
and interest by, any agency or instrumentality of the United
States not specified in subsection (a) or of this state, or any
city, town, village, county, district or other municipal
corporation or political subdivision of this state, or any public
instrumentality or public authority of any one or more of the
foregoing; (ii) capital stock, obligations, or other securities of
service organizations, provided that the commissioner shall
establish by regulation the permissible aggregate of such
investments as a percentage of assets; and (iii) other stocks,
securities and obligations which the board shall approve and place
on a list to be published and distributed to every association
from time to time, and the commissioner is directed to publish and
make distribution of such a list. An association holding investments which are so listed by the commissioner shall have a reasonable time to dispose of the same if at a later time the commissioner shall remove such investments from the list.

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

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

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

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

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

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

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

(ii) An association may (1) participate with one or more financial institutions, or entities having a tax exemption under Section 501(a) of the Internal Revenue Code, in any real estate loan of the type in which such association is authorized to invest on its own account, provided that the participating
interest of such association is not subordinated or inferior to any other participating interest; or (2) participate in such real estate loans with other than financial institutions or those entities described, provided that the participating interest of such association is superior to the participating interests of such other participants;

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

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

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

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

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

(f) Loans made for the purpose of mobile home financing, subject to any limitation as to maximum loan amount which may be prescribed by the commissioner for all associations.
For the purpose of this subsection, "mobile home" shall mean a movable accommodation used or designed for use as living quarters;

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

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

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

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

81-12-163. In connection with a loan, the borrower may be required to pay an attorney of his choice for services performed in connection with the loan; the borrower shall not be required to pay any attorney's fee to any attorney not selected by the borrower; and the borrower shall have the right to obtain at his own expense, if such insurance would be required by the lender, fire and casualty insurance on the property offered as security, or credit life insurance, from an insurance agent of the borrower's choice. The commissioner is empowered to promulgate rules and regulations governing the filing and maintenance by the
borrower with the association of fire and casualty insurance on
the property offered as security, and title insurance. But the
commissioner shall not authorize title insurance in any company
that is not authorized to do business in the State of Mississippi.

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

81-12-165. Every association may require borrowers to pay
all reasonable expenses incurred in connection with the making,
closing, disbursing, extending, readjusting or renewing of real
estate loans as shall be authorized by the commissioner. If an
attorney's fee is charged the borrower in connection with any
loan, the borrower shall have the right to select an attorney of
his choice to close the loan and to look after his interests in
connection with the loan and the fee shall be paid to the attorney
selected. It is the intention of the Legislature to insure that
the borrower shall not be required to pay any attorney's fee to
any attorney other than the attorney selected by the borrower to
close the loan. The borrower shall be advised by the association
in writing of his right to select an attorney, provided that such
attorney is on an approved list of a title insurance company
acceptable to the association, and authorized to do business in
the State of Mississippi. Title insurance is used herein as a
criterion for qualifications of attorneys only, and nothing in
this chapter shall be construed as requiring any association to
require a borrower to secure a title insurance policy in addition
to the regular attorney's certification of title. However, an
association may, if it desires, require title insurance policies
on loans, but if policies are required from one (1) attorney they
shall be required from all attorneys used in connection with loans
under this section. No association shall discriminate as to any
charges, fees or discounts, or make any different charges
whatev
er between loans closed by an attorney selected or
recommended by, or representing the association and loans closed
by an attorney selected by the borrower under the provisions of this subsection. It is the intent of the Legislature that borrowers shall be free to select attorneys of their choice to close all loans under the authority of this paragraph, without incurring any additional charge or expense whatsoever. The commissioner shall have the authority to adopt reasonable rules and regulations to promulgate the provisions of this subsection.

Any association, or any officer or employee of any such association willfully violating the provisions of this subsection shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than One Hundred Dollars ($100.00) nor more than Five Hundred Dollars ($500.00).

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

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

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

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

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

81-12-171. In the case of any investment made by an association in a real estate loan where the ownership of the real
estate security or any part thereof later becomes vested in a
person other than the party or parties originally executing the
security instruments, unless there is an agreement in writing to
the contrary, an association may, without notice to such party or
parties, deal with such successor or successors in interest with
reference to said mortgage and the debt thereby secured in the
same manner as with such party or parties, and may forbear to sue
or may extend time for payment of or otherwise modify the terms of
the debt secured thereby, without discharging or in any way
affecting the liability of such original party or parties
thereunder or upon the debt thereby secured.

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

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

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

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

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

(3) No association may establish or operate a branch office
without authorization of the commissioner. Each application for
approval of the establishment and operation of a branch office
shall state the proposed location thereof, the need therefor, the
functions to be performed therein, the estimated volume of
business thereof, the estimated annual expense thereof and the
mode of payment thereof, and shall be accompanied by a budget of
the association for the current earnings period and for the next
succeeding semiannual period, which reflects the estimated
additional expense of the maintenance of such a branch office. A
resolution adopted by the board of directors of the association
authorizing the proposed branch office and specifying the location
and manner in which the branch office will be financed shall be
submitted with each application. The commissioner may, by
regulation, require the application to state other relevant and
necessary information. Applications shall be made to the
commissioner; and, upon receipt, he shall make an investigation to
determine whether the establishment and maintenance of such office
will unduly injure any properly conducted existing association or
federal association in the community where such branch office is
proposed to be established. The provisions of Section 81-12-29 of
this chapter shall be followed in processing such application,
except that the hearing shall be before the commissioner instead
of the board.

(4) No association may change the location of a branch
office to a municipality other than that in which it is located
without authorization of the commissioner. Each application for
approval of change of location of a branch office to another
municipality shall state the proposed location thereof, the need
therefor, the functions to be performed therein, the estimated
volume of business thereof, the estimated annual expense thereof,
and the mode of payment thereof, and shall be accompanied by a
budget of the association for the current earnings period and for
the next succeeding semiannual period, which reflects the
estimated additional expense of the maintenance of such proposed
change of location of the branch office. A resolution adopted by
the board of directors of the association authorizing the proposed
change of location of the branch office to another municipality
and specifying the location and proposed manner in which such
branch office will be financed shall be submitted with each
application. The commissioner may, by regulation, require the
application to state other relevant and necessary information.
Applications shall be made to the commissioner; and, upon receipt,
he shall make an investigation to determine whether the
establishment and maintenance of such office will unduly injure
any properly conducted existing association or federal association
in the community to which the location of such branch office is
proposed to be changed. The provisions of Section 81-12-29 shall
be followed in processing such applications, except that the
hearing shall be before the commissioner instead of the board.

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

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

SECTION 89. Section 81-12-176, Mississippi Code of 1972, is
reenacted as follows:
81-12-176. No association shall, without authorization by the commissioner, establish a savings branch office, loan branch office or a loan processing office. The commissioner shall prescribe the form of the application, prerequisites and requirements for the above types of offices. If no protest is filed after notice has been given as provided in Section 81-12-29(1), the commissioner may approve the application for the above-described limited service branch offices if the established prerequisites and requirements are met. If protests are filed, the commissioner, upon reasonable notice to the applying association and its attorney and to the protestants and their attorneys, shall hold a hearing and, based upon his written findings at such hearing, issue a certificate of approval or disapproval.

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

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

(2) Every association also shall make such other reports as the commissioner may from time to time require, which shall be in such form and filed on such date as he may prescribe and shall be verified in the same manner as the annual report.
(3) The commissioner shall require that every association have its affairs examined and be audited at least once a year. The commissioner shall review such examination and audit within a reasonable time after their completion.

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

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

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

(7) The commissioner is authorized in connection with any examination or audit of any association to cause to be made appraisals of real estate held by the association or securing the association's assets when specific facts or information with respect to real estate held, secured loans or lending, or when in his opinion the association's policies, practices, operating results and trends give evidence that an association's appraisals may be excessive, that lending or investment may be of a marginal nature, that appraisal policies and practices may not conform with generally accepted and established professional standards, or that real estate held by the association or assets secured by real estate are overvalued. In lieu of causing such appraisals to be made, the commissioner may accept any appraisal caused to be made.
by a federal home loan bank, the appropriate federal regulatory
authority, or by the Federal Deposit Insurance Corporation.

Unless otherwise ordered by the commissioner, appraisal of real
estate in connection with any examination or audit pursuant to
this section shall be made by a professional appraiser or
appraisers selected by the commissioner, and the cost of such
appraisal promptly shall be paid by such association directly to
such appraiser or appraisers, upon receipt by the association of a
statement of such cost bearing the written approval of the
commissioner. A copy of the report of such appraisal caused to be
made by the commissioner, pursuant to this subsection, shall be
furnished to the association within a reasonable time, not to
exceed sixty (60) days following the completion of such
appraisals, and may be furnished to the insuring agency.

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

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

81-12-178. (1) The commissioner shall obtain each year from
the appropriate federal financial supervisory agency or agencies
the public sections of the written evaluations prepared pursuant
to 12 USCS Section 2906 of the Community Reinvestment Act, as amended (12 USCS Section 2901 et seq.), of each state savings association, savings bank, and savings and loan association and each federal savings and loan association located in Mississippi, and each savings and loan holding company that controls any savings association, savings bank or savings and loan association located in Mississippi. Once each year, the commissioner shall publish in some newspaper having a general circulation in the state a statement that the public section of the written evaluation prepared pursuant to 12 USCS Section 2906 of the Community Reinvestment Act, as amended (12 USCS Section 2901 et seq.), of each such savings association, savings bank, savings and loan association and savings and loan holding company is maintained in the office of the commissioner and will be made available for inspection to any person upon request during business hours, and that copies of all or part of any evaluation will be furnished to any person upon request for a reasonable copying fee prescribed by the commissioner.

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

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

81-12-179. If the commissioner, as a result of any examination or from any report made to him, shall find that any association is violating the provisions of its certificate of incorporation or bylaws, or the laws of this state or of the United States, or any lawful order or regulation of the commissioner, he shall, by a formal written order delivered to the association as aforesaid, state any alleged violation, together with a statement of the facts alleged to be such violation, and order discontinuance of such violation and conformance with all requirements of law. Such order shall specify the effective date
thereof, which may be immediate or may be at a later date, and
such order shall remain in effect until withdrawn by the
commissioner or until terminated by a court order. Such order of
the commissioner, upon application made on or after the effective
date thereof by the commissioner to the chancery court in the
county in which the home office of the association is located,
shall be enforced ex parte and without notice by an order to
comply entered by the court. Such proceedings shall be given
precedence over all cases pending in such court, and shall in
every way be expedited. Any association affected by such order of
the commissioner shall, after receipt thereof, have the right to
apply within thirty (30) days to any such court for an immediate
hearing and order suspending the order of the commissioner upon
such conditions as may be prescribed by the court until such time
as the hearing has been completed. The hearing of such
application to the court shall be upon such notice to the
commissioner as the court shall provide. Whether upon application
by the commissioner or by the association, such court shall have
power to and shall adjudicate the question and enter the proper
order or orders and enforce the same.

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

81-12-181. (1) If the commissioner, as a result of any
examination or from any report made to him, believes that the
public interest may be served by the appointment of a conservator,
and if he shall find that: (a) the capital of an association is
impaired, or (b) the association is concealing any assets, books
or records, or (c) the members of such association are in actual
danger of loss due to mismanagement, misappropriation of funds,
faith, violation of this chapter, or violation of any lawful rule
of the commissioner, or (d) any association is in violation of an
order or injunction, as authorized by this section, which has
become final in that time to appeal has expired without appeal or
a final order entered from which there can be no appeal, the commissioner may appoint a conservator for such association, which may be the commissioner or any other person, and upon such appointment shall apply immediately to the chancery court in the county in which the home office of the association is located for confirmation of such appointment, and such court shall have exclusive jurisdiction to determine the issues and all related matters. Such proceedings shall be given precedence over other cases pending in such court, and shall in every way be expedited. Such court shall confirm such appointment if it shall find that one or more of such grounds exist, and a certified copy of the order of the court confirming such appointment shall be evidence thereof. Such conservator shall have the power and authority provided in this chapter and such other power and authority as may be expressed in the order of the court. Such conservator shall endeavor promptly to remedy the situations complained of by the commissioner in his application for confirmation of such appointment. Within six (6) months of the date of such appointment, or within twelve (12) months if the court shall extend such period of six (6) months, such association shall be returned to the board of directors thereof and thereafter shall be managed and operated as if no conservator had been appointed, or a receiver shall be appointed as hereinafter provided. If the commissioner or examiner is appointed conservator, he shall receive no additional compensation, but if another person is appointed, then the compensation of the conservator, as determined by the court, shall be paid by the association. A certified copy of the order of the court discharging such conservator and returning such association to the directors thereof shall be sufficient evidence thereof.

(2) Any conservator appointed shall have all the rights, powers and privileges possessed by the officers, board of directors and members of the association and shall have the power,
with the approval of the court, to limit or condition withdrawals
from the association and to effectuate a system for payment of
withdrawals.

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

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

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

81-12-183. (1) If the commissioner shall find that: (a)
the capital of an association is impaired, or (b) the association
is concealing any assets, books or records, or (c) the members of
such association are in actual danger of loss due to
mismanagement, misappropriation of funds, fraud, violation of this
chapter, or violation of any lawful rule of the commissioner, or
(d) any association is in violation of an order or injunction, as provided in Section 81-12-181 or Section 81-12-183, which has become final in that the time to appeal has expired without appeal or a final order entered from which there can be no appeal, the commissioner may apply immediately to the chancery court in the county in which the home office of the association is located for appointment of a receiver for such association, and such court shall have exclusive jurisdiction to determine the issues and all related matters. The commissioner shall suggest a person for such appointment who may be the commissioner. Such proceedings shall be given precedence over other cases pending in such court, and shall in every way be expedited. Such court shall make such appointment if it shall find that one or more such grounds exist, and a certified copy of the order of the court confirming such appointment shall be evidence thereof. Such receiver shall have all the powers and authority of a conservator plus the power to liquidate, and shall have such other powers and authority as may be expressed in the order of the court. If the commissioner or examiner is appointed receiver, he shall receive no additional compensation, but if another person is appointed, then the compensation of the receiver, as determined by the court, shall be paid from the assets of the association.

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

(3) The procedure in such receivership action shall be in all other respects in accordance with the practice of such court, including all rights of appeal and review. The directors, officers and attorneys of an association in office at the time of the initiation of any proceeding under this or the preceding
section are expressly authorized to contest any such proceeding and shall in the discretion of the court be reimbursed for reasonable expenses and attorney's fees by the association or from its assets. Any court having any such proceeding before it shall in its discretion allow and order paid reasonable expenses and attorney's fees for such directors, officers and attorneys. The charter of any association which is liquidated by a receiver shall be surrendered to the commissioner on the completion of such liquidation and cancelled by him.

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

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

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

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

SECTION 97. Section 81-12-187, Mississippi Code of 1972, is reenacted as follows:
(1) For the purposes of this section, the term "foreign association" shall include any person, firm, company, association, fiduciary, partnership or corporation, by whatever name called, actually engaged in the business of an association, which is not organized under the provisions of this chapter or the laws of the United States as now or hereafter amended, the principal business office of which is located outside the territorial limits of this state.

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

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

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

(5) The commissioner hereby is authorized, empowered and directed to obtain an injunction or to take any other action necessary to prevent any foreign association from doing any business of an association in this state without approval.
SECTION 98. Section 81-12-189, Mississippi Code of 1972, is reenacted as follows:

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

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

(b) The advertising or solicitation of savings accounts, or the making of any representations with respect thereto in this state through the media of the mail, radio, television, magazines, newspapers or any other media which are published or circulated within this state, provided that such advertising, soliciting or the making of such representations shall be accurately descriptive of the fact and shall conform to the limitations set forth in this chapter regarding associations.
(c) The purchase of a participating interest in loans of associations, subject to such regulations as the commissioner may adopt.

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

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

81-12-191. Federal savings associations or federal savings and loan associations, domiciled in the State of Mississippi, incorporated pursuant to the laws of the United States, as now or hereafter amended, are not foreign corporations or foreign associations. Unless otherwise restricted by laws of the United States, the depositors, members and stockholders of federal associations shall possess all of the rights, privileges and benefits, duties and obligations that are now or may hereafter be provided by the laws of this state for depositors, members and stockholders of associations organized under the laws of this state; unless otherwise restricted by the laws of the United States, federal associations shall possess all of the benefits, immunities, exemptions, duties and obligations that are now or may hereafter be provided by the laws of this state for associations organized under the laws of this state. This provision is additional and supplemental to any provision which, by specific
reference, is applicable to federal associations and the members thereof.

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

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

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

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

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

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

(iii) The commissioner shall, during the month of January in each year, or as soon thereafter as practicable, prepare and send to each association a statement of the assessments due under this section, based upon the total assets of each association as of December 31 of the preceding year. The assessment shall be payable in accordance with the statement so furnished and shall be paid within ten (10) days after the date fixed for their payment. Such assessment shall constitute a lien on the assets of each association until paid. Any association failing to make payment of an installment within ten (10) days as
provided in this section shall be liable for a penalty of ten percent (10%) of the amount in default for each day thereafter. All assessments and penalties provided in this section shall be payable as set forth in this section, and when collected by the commissioner shall be delivered to the State Treasurer to be placed to the credit of the account of the department.

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

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

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

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

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

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

SECTION 101. Section 81-12-195, Mississippi Code of 1972, is reenacted as follows:
81-12-195. The offering and sale of savings accounts of any association subject to the provisions of this chapter are hereby exempted from all provisions of law of this state which provide for the supervision and regulation of the sale of securities, and the sale of any such accounts shall be legal without any action or approval whatsoever on the part of any official authorized to license, regulate and supervise the sale of securities.

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

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

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

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

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

81-12-201. From and after July 1, 1977, no person, whether or not incorporated, other than a bank or credit union organized under the laws of this state or of the United States, or an
association organized under the laws of this state or of the
United States, shall advertise by newspaper, radio, television, or
other commercial media for deposits of money from the public. The
commissioner shall have authority to enforce this prohibition by
injunctive relief in the chancery court in which any such person
may be a resident or domiciled.

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

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

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

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

81-12-205. Any interested person aggrieved by any final
rule, regulation or order of the commissioner or the board, shall
have the right, regardless of the amount involved to appeal to the
Circuit Court of the First Judicial District of Hinds County,
except that if the appellant is an applicant for a charter the
appeal shall be taken to the circuit court of the county in which
the institution sought to be chartered would be domiciled, and if
the appellant is seeking to establish a branch office, the appeal
shall be taken to the circuit court of the county in which the branch is proposed to be located. Such appeal shall be taken and perfected as hereinafter provided, within thirty (30) days from the date of such final rule, regulation or order; and the circuit court may affirm such rule, regulation or order, or reverse same for further proceedings as justice may require. All such appeals shall be taken and perfected, heard and determined either in termtime or in vacation on the record, including a transcript of pleadings and testimony, both oral and documentary, filed and heard before the commissioner or the board, and such appeal shall be heard and disposed of promptly by the court as a preference cause. In perfecting any appeal provided by this section, the provisions of law respecting notice to the reporter and the allowance of bills of exception, now or hereafter in force respecting appeals from the circuit court to Supreme Court shall be applicable. However, the reporter shall transcribe his notes and file the transcript of the record with the commissioner or the board within thirty (30) days after approval of the appeal bond. Upon the filing with the commissioner or the board of a petition for appeal to the circuit court, it shall be the duty of the commissioner or the board, as promptly as possible, and in any event within sixty (60) days after approval of the appeal bond, to file with the clerk of the circuit court to which the appeal is taken, a copy of the petition for appeal and of the rule, regulation or order appealed from, and the original and one (1) copy of the transcript of the record of proceedings in evidence before the commissioner or the board. After the filing of the petition, the appeal shall be perfected by the filing of bond in the sum of Five Hundred Dollars ($500.00) with two (2) good and sufficient sureties or with a surety company qualified to do business in Mississippi as the surety, conditioned to pay the cost of such appeal; the bond to be approved by the commissioner or by the clerk of the court to which such appeal is taken. The
perfection of an appeal shall not stay or suspend the operation of any rule, regulation or order of the commissioner or the board, but the judge of the circuit court to which the appeal is taken may award a writ of supersedeas to any rule, regulation or order of the commissioner or the board after five (5) days' notice to the commissioner or the board and after hearing. Any order or judgment staying the operation of any rule, regulation or order of the commissioner or the board shall contain a specific finding, based upon evidence submitted to the circuit judge and identified by reference thereto, that great or irreparable damage would result to the appellant if he is denied relief, and the stay shall not become effective until a supersedeas bond shall have been executed and filed with and approved by the clerk of the court payable to the state. The bond shall be in an amount fixed by the circuit judge and conditioned as the circuit judge may direct in the order granting the supersedeas.

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

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

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

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