MISSISSIPPI LEGISLATURE                        REGULAR SESSION 2001
By: Senator(s) Mettetal                        To: Business and Financial
                     Institutions

S. B. No. 2602
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SENATE BILL NO. 2602

AN ACT TO REENACT SECTIONS 81-14-1 THROUGH 81-14-403,
MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR THE REGULATION OF
SAVINGS BANKS; TO REPEAL SECTION 81-14-501, MISSISSIPPI CODE OF
1972, TO REMOVE THE REPEALER ON THOSE CODE SECTIONS; AND FOR
RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

(e) To provide for an increase in the savings base of
the state and for local control of the means of finance and
accumulation of capital;
(f) To provide the opportunity for the management of savings banks to exercise prudent business judgment in conducting the affairs of savings banks to the extent compatible with the purposes recited in this section; and

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

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

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

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

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

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

(b) "Associate" when used to indicate a relationship with any person means (i) any corporation or organization, other than the applicant, of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities; (ii) any trust or other estate in which such person has a substantial beneficial interest, or to which such person serves as a trustee or in a similar fiduciary capacity; and (iii) any relative or spouse who lives in the same house as that person, or any relative of that person's spouse who lives in the same house as that person, or who is a director or officer of the applicant or any of its parents or subsidiaries.
(c) "Association" means a thrift institution that is chartered by this state but which is not subject to this chapter.

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

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

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

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

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

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

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

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

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

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

(n) "Department" means the Department of Banking and Consumer Finance.
(o) "Examination and investigation" means a supervisory inspection of a savings bank or proposed savings bank which may include inspection of every relevant piece of information including subsidiary or affiliated businesses.

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

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

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

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

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

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

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

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

(x) "Principal office" means the office which houses the headquarters of a savings bank.
"Proposed savings bank" means an entity in organizational procedures prior to the board's final decision on its charter application.

"Registered agent" means the person named in the certificate of incorporation upon whom service of legal process shall be deemed binding upon the savings bank.

"Savings bank" includes a state savings bank or a federal savings bank unless limited by use of the words "state" or "federal."

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

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

"This state" means the State of Mississippi.

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

"State savings bank" means a depository institution organized under this chapter and operated under the provisions of this chapter; or a corporation organized under the
provisions of the laws of this state or federal law and so
converted as to be operated under the provisions of this chapter.

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

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

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

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

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

81-14-53. 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 state savings banks.

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

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

(2) Except as provided in subsection (1), no person or group
of persons, nor any corporation, company or savings bank that is
not incorporated and licensed in accordance with the provisions of
this chapter or federal law to operate a savings bank shall
operate as a savings bank. Unless so authorized as a state or
federal savings bank and engaged in transacting a depository
institution business, no person or group of persons, nor any
corporation, company or savings bank domiciled and doing business
in this state shall:
(a) Use in its name the term "savings bank" or words of similar import or connotation that lead the public reasonably to believe that the business so conducted is that of a savings bank; or

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

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

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

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

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

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

(b) The names and addresses of the incorporators and the initial members of the board of directors;
(c) Statements of the anticipated receipts, expenditures, earnings and financial condition of the savings bank for its first three (3) years of operation, or such longer period as the commissioner may require;

(d) A showing satisfactory to the board that:

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

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

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

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

(e) The proposed bylaws;

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

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

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

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

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

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

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

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

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

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

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

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

(i) The names and addresses of the incorporators.

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

(a) The name of the savings bank which shall not
closely resemble the name of an existing depository institution
doing business under the laws of this state so as to mislead the
public;
(b) The county and city or town where its principal office will be located in this state; and the name of its registered agent and the address of its registered office, including county and city or town, and street and number;

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

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

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

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

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

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

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

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

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

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

(j) The names and addresses of the incorporators.

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

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

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

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

(a) The proposed savings bank has an operational expense fund from which to pay organizational and incorporation expenses in an amount determined by the commissioner to be sufficient for the safe and proper operation of the savings bank; provided, however, that such expense fund shall not contain less than Seventy-five Thousand Dollars ($75,000.00). The monies remaining in such expense fund shall be held by the savings bank for at least one (1) year from its date of licensing. No portion of such fund shall be released to an incorporator or director who contributed to it, nor to any other contributor, nor to any other
person, and no dividends shall be accrued or paid on such funds without the prior approval of the commissioner.

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

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

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

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

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

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

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

(i) The proposed savings bank, if established, will promote the healthy and effective competition in the community by the delivery to the public of savings institution services.
(2) The commissioner may recommend approval of an application to form a stock savings bank only when all the following criteria are met:

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

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

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

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

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

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

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

SECTION 12. Section 81-14-65, Mississippi Code of 1972, is reenacted as follows:
81-14-65. (1) If the commissioner does not have the completed application within one hundred twenty (120) days of the filing of the preliminary application, the application shall be returned to the applicants.

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

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

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

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

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

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

(e) When a certificate of incorporation is sought in order to effect the acquisition of an insolvent financial institution that is being sold pursuant to the provisions of state or federal law, any constraints of time imposed herein shall not apply if the commissioner determines that an emergency exists which requires expedition in granting a certificate in order to
(4) The board, at the public hearing, shall consider the findings and recommendation of the commissioner and shall hear such oral testimony as the commissioner may wish to give or be called upon to give, and shall also receive information and hear testimony from the incorporators of the proposed savings bank and from any and all other interested or affected parties. The board shall hear only testimony and receive only information which is relevant to the consideration of the application and the operation of the proposed savings bank.

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

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

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

(3) Upon receipt of the certificate of approval, the original of the certificate of incorporation, and the two (2) copies, the Secretary of State shall, upon the payment by the newly chartered savings bank of the appropriate organization tax and fees, file the certificate of incorporation. He shall certify under his official seal the two (2) copies of the certificate of incorporation, one (1) of which shall be forwarded to the
incorporators or their representative, the other shall be
forwarded to the office of the commissioner for filing. Upon the
recordation of the certificate of incorporation by the Secretary
of State, the savings bank shall be a body politic and corporate
under the name stated in such certificate, and shall be authorized
to begin the savings bank business when duly licensed by the
commissioner.

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

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

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

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

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

81-14-71. All state savings banks must obtain and maintain
insurance on all members' and customers' deposit accounts from an
insurance corporation created by an act of Congress. Prior to the
licensing of a savings bank, a certificate of incorporation duly
recorded under the provisions of Section 89-19-67(3) shall be
deemed to be sufficient certification to the insurance corporation
that must be obtained within the time limit prescribed
hereinafter. Subject to the rules and regulations of the commissioner, a state savings bank may obtain or participate in efforts to obtain insurance of deposits that is in excess of the amount eligible for federal insurance of accounts. Such insurance shall be known as "excess insurance."

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

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

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

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

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

81-14-77. A newly chartered savings bank shall be entitled to a license fee to operate upon payment to the department of the
appropriate license fee as prescribed by the commissioner and upon
evidence presented to the commissioner of the following:
(a) Capable, efficient and equitable management;
(b) Organization of the savings bank pursuant to law;
(c) Completion of the organization of the savings bank;
and
(d) Passage of final inspection by the commissioner or his representative.

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

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

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

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

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

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

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

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

(b) The applicant has evidenced financial responsibility;

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

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

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

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

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

(b) The proposed address of the branch office, including city or town and street; and
(c) A statement that any interested party may file a written statement with the commissioner, within thirty (30) days of the date of the publication of the notice, protesting the establishment of the proposed branch office and requesting a hearing before the commissioner.

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

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

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

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

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

81-14-87. The commissioner may, for good cause and after a hearing, order the closing of a branch office. Such order shall be made in writing to the savings bank and shall fix a reasonable time to close the branch office.
SECTION 24. Section 81-14-89, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

81-14-101. Any state or federal thrift institution or state or national bank may apply for conversion into a state-chartered savings bank upon the 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 institution, at an annual meeting or at any special meeting of the members or stockholders called to consider such action. Upon such affirmative vote, the institution may apply for a certificate of authority by filing with the commissioner a certificate signed by its president or cashier and 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 institution shall also file with the commissioner the plan of conversion and the proposed amendments to its articles of incorporation or articles of association as approved by the members or stockholders for the operation of the institution as a state-chartered savings bank. Upon receipt of the prescribed application, the commissioner shall examine all
facts associated with the conversion. The expenses and cost 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 27. Section 81-14-103, Mississippi Code of 1972, is reenacted as follows:

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

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

(b) A meeting of the members or stockholders shall be held after fifteen (15) days' notice to each member or stockholder. The board of directors may provide notice of the meeting to each member or stockholder either by mail, postage prepaid, or by publication of notice, once a week for two (2) weeks preceding such meeting, in a newspaper of general circulation in the county where such savings bank has its principal office. The notice may contain the following statement: "The purpose of this meeting is to consider the conversion of this state-chartered savings bank to a federal charter, pursuant to the
laws of the United States." An appropriate officer of the savings
bank shall make proof by affidavit at such meeting of due service
of the notice for such meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) The savings bank services provided to the public by
the savings bank will not be adversely affected by the conversion;
(e) The substance of the plan has been approved by a vote of two-thirds (2/3) of the board of directors of the savings bank;

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

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

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

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

(4) After lawful notice to the members of the savings bank and full and fair disclosure, the plan must be approved by a majority of the total votes which members of the savings bank are eligible and entitled to cast. Such a vote by the members may be in person or by proxy. Following the vote of the members, the results of the vote certified by an appropriate officer of the savings bank shall be filed by the commissioner. The commissioner shall then either approve or disapprove the requested conversion.

After approval of the conversion, the commissioner shall supervise and monitor the conversion process and he shall ensure that the conversion is conducted pursuant to law and the savings bank's approved plan of conversion.

(5) The commissioner may promulgate such rules and regulations as may be necessary to govern conversions; however, such rules and regulations as may be promulgated by the commissioner shall be equal to or exceed the requirements for
SECTION 30. Section 81-14-109, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

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

(e) The plan of conversion provides that:

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

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

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

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

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

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

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

(c) At separate meetings of the members or stockholders 
of the respective savings banks, the members or stockholders may 
adopt, by an affirmative vote of a majority of the votes or shares 
present, in person or by proxy, a resolution to merge into a 
single savings bank upon the terms of the merger agreement as 
agreed upon by the directors of the respective savings banks and 
as approved by the commissioner. Upon the adoption of the 
resolution, a copy of the minutes of the proceedings of the 
meetings of the members or stockholders of the respective savings 
banks certified by an appropriate officer of the merging savings 
banks shall be filed in the office of the commissioner. Within 
fifteen (15) days after the receipt of a certified copy of the 
minutes of such meeting the commissioner shall either approve or 
disapprove the proceedings for compliance with this section. If 
the proceedings are approved by him, he shall issue a certificate 
of his approval of the merger. The certificate shall be filed and 
recorded in the office of the Secretary of State. When the 
certificate is so filed, the merger agreement shall take effect 
according to its terms and shall be binding upon all the members 
or stockholders of the merging savings banks, and it shall be 
deemed to be the act of merger of such constituent savings banks 
under the laws of this state. The certificate or certified copy 
thereof shall be evidence of the agreement and act of merger of 
such constituent savings banks under the laws of this state and 
the observance and performance of all acts and conditions 
necessary to have been observed and performed precedent to such 
merger. Within sixty (60) days after its receipt from the 
Secretary of State, the certified copy of the certificate shall be 
filed with the registrar of deeds of the county or counties in 
which the respective savings banks so merged have recorded their 
original certificates of incorporation. Failure to file shall
subject the savings bank to a penalty of One Hundred Dollars ($100.00) to be collected by the Secretary of State. If the commissioner disapproves the proceedings, he shall issue a written statement of the reasons for his disapproval and notify the savings bank to that effect.

(d) Upon the merger of any savings bank:

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

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

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

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

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

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

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

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

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

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

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

SECTION 34. Section 81-14-117, Mississippi Code of 1972, is
reenacted as follows:
81-14-117. (1) Any combination of associations and state
savings banks may merge to form either an association or state
savings bank.

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

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

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

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

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

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

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

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

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

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

(e) The liquidation of the savings bank shall be subject to the supervision and examination of the commissioner.
81-14-123. (1) The commissioner shall promulgate rules and regulations governing the dissolution and liquidation of state savings banks.

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

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

81-14-125. No savings bank shall declare or pay any dividend upon its common stock unless such savings bank 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 savings bank, 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 savings bank is located, either in his name or in the name of the savings bank, to recover the same for the benefit of the savings bank.

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

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

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

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

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

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

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

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

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

SECTION 42. Section 81-14-153, Mississippi Code of 1972, is reenacted as follows:

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

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

(a) Reserve requirements;

(b) Stock ownership and dividends;

(c) Stock transfers;

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

(e) Bylaws;

(f) The operation of savings banks;

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

(h) Loans and loan expenses;

(i) Investments;

(j) Forms and definitions;

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

(l) Retention periods of various financial records;

(m) Internal control procedures of savings banks;

(n) Conduct and management of savings banks;

(o) Chartering and branching;

(p) Liquidations;

(q) Mergers;

(r) Conversions;

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

(t) Conflicts of interest;

(u) Service corporations; and

(v) Holding companies.

(3) Any state savings bank may cause any or all of its
records 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 43. Section 81-14-155, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

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

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

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

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

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

81-14-159. (1) If, in the opinion of the commissioner an
examination conducted under the provisions of Section 81-14-155
fails to disclose the complete financial condition of a savings
bank, he may in order to ascertain its complete financial
condition:
(a) Make an extended audit or examination of the savings bank, or cause such an audit or examination to be made by an independent auditor;

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

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

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

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

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

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

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

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

(2) The commissioner may issue subpoenas duces tecum.

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

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

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

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

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

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

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

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

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

(b) Be interested, directly or indirectly, in any
savings bank organized under the laws of this state; or
(c) Undertake any indebtedness as a borrower, directly or indirectly, or act as endorser, surety or guarantor, or sell, or otherwise dispose of, any loan or investment to any savings bank organized under the laws of this state.

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

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

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

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

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

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

(b) Information reflecting the specific collateral given by a named borrower, the specific amount of stock owned by a named stockholder, or specific deposit accounts held by a named member or customer;
(c) Information obtained, prepared or compiled during or as a result of an examination, audit or investigation of any savings bank by an agency of the United States, if the records would be confidential under federal law or regulation;

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

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

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

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

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

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

(5) Any official or employee violating this section shall be liable to any person injured by disclosure of such confidential information for all damages sustained thereby.
SECTION 50. Section 81-14-169, Mississippi Code of 1972, is reenacted as follows:

81-14-169. The commissioner shall call upon each state savings bank 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 savings banks. 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 savings bank 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 bank on the day specified by the commissioner. Savings banks 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 savings banks. For any failure or delay in furnishing this report, the president, vice president or cashier of any such savings bank, so in default, and the members of the board of directors of the savings bank 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 51. Section 81-14-171, Mississippi Code of 1972, is reenacted as follows:

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

SECTION 52. Section 81-14-173, Mississippi Code of 1972, is reenacted as follows:
81-14-173. Any person who shall engage in any of the following acts shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined or imprisoned, or both, in the discretion of the court:

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

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

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

81-14-175. Unless otherwise provided in this chapter, any interested person aggrieved by any rule, regulation or order of the commissioner and/or the board, as applicable, shall have the right, regardless of the amount involved, to appeal to the Circuit Court of the First Judicial District of Hinds County. However, if the appellant is an applicant for a charter, the appeal shall be taken to the circuit court of the county in which the proposed institution is domiciled; or 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 proposed branch is 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. The circuit court may affirm such rule, regulation or order, or remand for further proceedings as justice may require. All such appeals shall be taken and perfected, heard either in termtime or in vacation, and 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, and those provisions 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 board within thirty (30) days after approval of the appeal bond. Upon the filing with the commissioner or board of a petition for appeal to the circuit court, it shall be the duty of the commissioner or board, 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, 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 board. After the filing of such petition, the appeal shall be perfected by filing of bond in the sum of Five Hundred Dollars ($500.00) with two (2) sufficient sureties, or with a surety company qualified to do business in Mississippi as the surety, conditioned to pay the cost of such appeal. Such bond shall 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 board, but the judge of such circuit court may award a writ of supersedeas to any rule, regulation or order of the commissioner or board after five (5) days' notice to the commissioner or board. Any order or judgment staying the operation of any rule, regulation or order of the commissioner or board shall contain a specific finding, based upon evidence submitted to the circuit judge and identified by reference thereto, that irreparable damage would result to the appellant if he is denied relief. Such 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 said circuit judge may
direct.

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

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

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

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

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

81-14-201. (1) If any person or savings bank is engaging in, or has engaged in, or is about to engage in, any unsafe or unsound practice, or unfair and discriminatory practice, in conducting the savings bank's business, or violation of any other law, rule, regulation, order or condition imposed in writing by the commissioner, the commissioner may issue a notice of charges to such person or institution. A notice of charges shall specify the acts alleged to sustain a cease and desist order, and state the time and place at which a hearing shall be held. A hearing before the commissioner on the charges shall be held no earlier than seven (7) days, and no later than fifteen (15) days, after issuance of the notice. The charged institution is entitled to a further extension of seven (7) days upon filing a request with the commissioner. The commissioner may also issue a notice of charges if he has reasonable grounds to believe that any person or savings bank is about to engage in any unsafe or unsound business practice, or any violation of this chapter, or any other law,
rule, regulation or order. If, by a preponderance of the
evidence, it is shown that any person or savings bank is engaged
in, or has been engaged in, or is about to engage in, any unsafe
or unsound business practice, or unfair and discriminatory
practice or any violation of this chapter, or any other law, rule,
regulation or order, a cease and desist order shall be issued
which shall be permanently binding upon the person or institution
until terminated by the commissioner.

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

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

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

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

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

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

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

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

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

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

SECTION 59. Section 81-14-207, Mississippi Code of 1972, is reenacted as follows:
81-14-207.  (1) Whenever the commissioner determines that a solvent savings bank is conducting its business in an unsafe or unsound manner, or in any fashion which threatens the financial integrity or sound operation of the savings bank, the commissioner may serve a notice of charges on the savings bank, requiring it to show why it should not be placed under supervisory control. Such notice of charges shall specify the grounds for supervisory control, and set the time and place for a hearing. A hearing before the commissioner pursuant to such notice shall be held within fifteen (15) days after issuance of the notice of charges.

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

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

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

(a) The issuance by the savings bank of capital stock;
(b) The appointment of one or more officers and/or directors;
(c) The reorganization, merger or consolidation of the savings bank;
(d) The dissolution and liquidation of the savings bank;  
(e) Other such measures as determined by the commissioner.  

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

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

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

(a) No appeal is filed within the specific time allowed for the appeal; or  
(b) All judicial appeals are exhausted.  

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

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

81-14-209. (1) If, in the commissioner's opinion, any director, officer or employee of any savings bank has participated in, or consented to, any violation of this chapter, or any other law, rule, regulation or order, or any unsafe or unsound business practice in the operation of any savings bank, or any insider loan not specifically authorized by or pursuant to this chapter, or any repeated violation of, or failure to comply with, any savings bank's bylaws, the commissioner may serve a written notice of charges upon such director, officer or employee and the savings bank, stating his intent to remove such director, officer or employee. Such notice shall specify the alleged conduct of such director, officer or employee and shall state the place for a hearing before the commissioner. A hearing shall be held no earlier than fifteen (15) days, but no later than thirty (30) days.
days, after the notice of charges is served. If, after the hearing, the commissioner determines that the charges asserted have been proven by a preponderance of the evidence, the commissioner may issue an order removing the director, officer or employee in question. Such an order shall be effective upon issuance and may include the entire board of directors or all of the officers of the savings bank.

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

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

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

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

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

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

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

(c) The business of the savings bank is being conducted in a fraudulent, illegal or unsafe manner, or that the savings bank is in an unsafe or unsound condition to transact business;

(any savings bank which, except as authorized in writing by the commissioner, fails to make full payment of any withdrawal when due is in an unsafe or unsound condition to transact business, notwithstanding such provisions of the certificate of incorporation or such statutes or regulations with respect to payment of withdrawals in event a savings bank does not pay all withdrawals in full); or

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

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

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

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

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

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

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

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

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

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

(7) The duly appointed and qualified receiver shall take possession promptly of such savings bank in accordance with the terms of the appointment by service of a certified copy of the commissioner's appointment order upon the savings bank at its principal office through the officer or employee who is present and appears to be in charge. Immediately upon taking possession of the savings bank, the receiver shall take possession and title of books, records and assets of the savings bank. The receiver, by operation of law and without any conveyance or other instrument, act or deed, shall succeed to all the rights, titles, powers and privileges of the savings bank, its members or stockholders, holders of deposit accounts, its officers and directors, and to the titles of the books, records and assets of any previous receiver or other legal custodian of the savings bank. Such members, stockholders, holders of deposit accounts, officers or directors shall not thereafter, except as hereinafter expressly provided, exercise any such rights, powers or privileges, or act in connection with any assets or property of any nature of the savings bank in receivership. The commissioner may at any time direct the receiver to return the savings bank to its previous or newly constituted management. The commissioner may provide for a meeting of the members or stockholders for any
purpose, including the election of directors or an increase in the
number of directors, or both, or the election of an entire new
board of directors for any purpose, including the filling of
vacancies on the board, the removal of officers and the election
of new officers. Any such meeting of members or stockholders, or
of directors, shall be supervised or conducted by a representative
of the commission.

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

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

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

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

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

(e) Appoint agents to serve at his pleasure;

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

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

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

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

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

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

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

(b) Claims of holders of deposit accounts;

(c) Claims of general creditors;

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

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

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

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

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

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

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

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

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

SECTION 62. Section 81-14-213, Mississippi Code of 1972, is reenacted as follows:
81-14-213. Any person or state savings bank against whom a cease and desist order is issued or a fine is imposed may have such order or fine reviewed by a court of competent jurisdiction. Except as otherwise provided, an appeal may be made only within thirty (30) days of the issuance of the order or the imposition of the fine, whichever is later.

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

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

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

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

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

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

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

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

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

(b) Any person who borrows funds and becomes obligated on a loan from the savings bank, for such time as the loan remains unpaid, or the borrower remains liable to the savings bank for the payment thereof.
Any person in his own right, or in a trust or other fiduciary capacity, or any partnership, association, corporation, political subdivision or public or government unit or entity may become a member of a mutual savings bank. Members shall possess such voting rights and other rights as provided by a savings bank's certificate of incorporation and bylaws. Such members shall be considered the owners of a mutual savings bank.

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

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

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

(a) For stock savings banks 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 savings banks 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 savings banks 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 savings banks over Fifty Million Dollars ($50,000,000.00) in assets, a Five Thousand Dollar ($5,000.00) deposit relationship. For savings banks 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.

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

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

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

81-14-255. (1) Directors and officers possess a fiduciary relationship with the savings bank which they serve, and shall not engage or participate, directly or indirectly, in any business or transaction conducted on behalf of or involving such savings bank, unless: (a) the business or transactions are conducted in good faith and are honest, fair and reasonable to the savings bank; (b) a full disclosure of the business or transaction and the nature of the director’s or officer’s interest is made to the board of directors; and (c) the business or transaction is approved in good faith by the board of directors with any interested director abstaining. The approval of the transaction shall be recorded in the minutes. Any profits inuring to the officer or director shall
not be at the expense of the savings bank. The business or
transaction shall not represent a breach of the officer's or
director's fiduciary duty and shall not be fraudulent or illegal.
Notwithstanding any other provisions of this section, the
commissioner may require the disclosure by directors, officers and
employees of their personal interest, directly or indirectly, in
any business or transaction on behalf of or involving the savings
bank and of their control of, or active participation in,
treasurer having activities related to the business of the
savings bank.

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

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

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

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

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

(e) An officer or director acting as proxy for a member
of a mutual savings bank shall not exercise, transfer or delegate
that right in any consideration of a private benefit or advantage,
direct or indirect, nor 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 shall not be the
subject of sale or similar transaction, either directly or
indirectly. Any officer or director who violates the provisions
of this paragraph shall be held accountable to the savings bank
for an increment.

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

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

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

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

SECTION 70. Section 81-14-259, Mississippi Code of 1972, is
reenacted as follows:
Voting rights in the affairs of a state savings bank may be exercised by members and stockholders by voting either in person or by proxy. The commissioner shall promulgate rules and regulations governing forms of proxies, holders of proxies and proxy solicitation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) On the security of real estate:

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

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

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

(iv) With the security interest in real estate
evidenced by an appropriate written instrument and the loan
evidenced by a note, bond or similar written instrument; a loan on
the security of the whole of the beneficial interest in a land
trust satisfies the requirements of this section if the title to
the land is held by a corporate trustee and if the real estate
held in the land trust meets the other requirements of this
section.
(c) For the purpose of repair, improvement, rehabilitation, furnishing or equipment of real estate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) In real estate for the following purposes:

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

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

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

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

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

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

Nothing contained in this paragraph prohibits a savings bank from developing or building on land acquired by it under any other provision of this chapter nor from completing the construction of buildings in accordance with any construction loan contract where the borrower has failed to comply with the terms of the contract.
(f) In stocks or obligations of business development corporations chartered by this state or by the United States or an agency thereof, but in no event shall the aggregate amount of stock exceed two and one-half percent (2-1/2%) of the savings bank's total capital or Two Hundred Fifty Thousand Dollars ($250,000.00), whichever is greater.

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

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

(i) Purchase of stock in insurance companies. Notwithstanding any provision of this chapter to the contrary, a savings bank may purchase shares of, or otherwise acquire equity interest in, insurance companies and insurance holding companies organized to provide insurance for savings institutions and corporations and individuals affiliated with savings institutions; provided, however, that ownership of equity interest is a prerequisite to obtaining director's, officer's and blanket bond insurance through the company or companies. The commissioner may promulgate regulations concerning the size of each savings bank's investment and manner of holding those investments.
(j) Subject to the regulation of the commissioner, in equity or debt securities or instruments of a service corporation that is a subsidiary of the savings bank.

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

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

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

81-14-305. No savings bank, or subsidiary thereof, may accept its own capital stock or its own mutual capital
certificates as security for any loan made by such savings bank.

Further, no loans of any type shall be made, either directly or indirectly, for purposes relating to its own stock.

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

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

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

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

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

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

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

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

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

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

81-14-313. Loans aggregating fifteen percent (15%) of the
unimpaired capital and unimpaired surplus may be made by any state
savings bank 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 state savings bank 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 savings bank, 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 state savings bank 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, a savings bank's board of directors may, as shown
in its minutes, give to a savings bank officer the authority to
make secured or unsecured loans to an executive officer or
director of such savings bank, 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 savings bank's unimpaired capital and unimpaired surplus.
However, no state savings bank 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 a state savings bank to a director or
executive officer thereof secured in full by funds on deposit in
time or savings accounts with the lending savings bank 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
savings bank at a reasonable price real or personal property
acquired by the savings bank in payment of debts due the savings
bank, 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
savings bank to such executive officer or director shall be
computed as against the total capital stock and surplus of the
parent savings bank 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.

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

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

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

81-14-317. Unless otherwise provided, every loan or other
investment made in violation of this chapter shall be due and
payable according to its terms and the obligation thereof shall
not be impaired; provided, however, that such violation consists
only of the lending of an excessive sum on authorized security or
of investing in an unauthorized investment.
SECTION 84. Section 81-14-319, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

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

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

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

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

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

81-14-321. State savings banks shall have and possess the
rights, powers, privileges, immunities, duties and obligations of
thrift institutions organized and operating under the laws of this
state or the federal government 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 and any other provision of this chapter, the
provisions of this paragraph shall control.

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

81-14-351. Savings banks shall maintain their books and
records in accordance with generally accepted accounting
principles.
SECTION 87. Section 81-14-353, Mississippi Code of 1972, is reenacted as follows:

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

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

81-14-355. Each savings bank 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 savings bank 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 quality of assets, history of earnings and the retention thereof, the potential volatility of the deposit structure and the institution's capacity to furnish the broadest service to the public. A written report of such finding and determination shall be made and filed by the commissioner.

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

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

(2) Savings banks may receive deposits of funds upon such terms as the contract of deposit shall provide to establish methods of withdrawals.
SECTION 90. Section 81-14-359, Mississippi Code of 1972, is reenacted as follows:

81-14-359. (1) Accounts may be in the name of two (2) or more persons, whether minor or adult, in such form that the money in the accounts are payable to either adult, or their 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 money 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 such persons. The opening of the account in such form shall be conclusive evidence with regard to the liability of the savings bank 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 savings bank by all 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 of them, may be required for withdrawal, in which case the savings bank shall pay the money in the account only in accordance with such instructions. However, no such instructions shall limit the right of the survivor or survivors to receive the money in the account. By written agreement with the savings bank, any person may create a joint account with other persons as joint tenants with the right of survivorship and such agreement may be signed only by the persons creating the account.

(2) The savings bank, 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 the right of survivorship.

(3) Payment of all or any of the money in such account, as

provided in this section, shall discharge the savings bank from

liability with respect to the money so paid, prior to receipt by

the savings bank of a court order. After receipt of such court

order, a savings bank may refuse, without liability, to honor any

withdrawal on the account pending determination of the rights of

the parties. No savings bank 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 owed to

this state.

SECTION 91. Section 81-14-361, Mississippi Code of 1972, is

reenacted as follows:

81-14-361. Any savings bank may accept accounts in the name

of any administrator, executor, guardian, trustee or other

fiduciary in trust for a named beneficiary or beneficiaries. Such

fiduciary shall have the authority to vote as a member of the

savings bank as if any membership account were held absolutely,

and to make payments upon, and withdraw from, 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 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 or rights is made

shall be valid and sufficient release and discharge of any savings

bank 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

has been given to a savings bank and the savings bank has no

notice of any other disposition of the trust estate, the

withdrawal value of such account, or other rights relating
thereunto, may at the option of a savings bank be paid or delivered, in whole or in part, to the beneficiary or beneficiaries of such trust. Whenever an account is opened by any person describing himself as trustee for another and there is no further notice of the existence and terms of a legal and valid trust, then such description shall be given in writing to such savings bank. 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. Such account, and all additions thereto, shall be the property of such person, unless prior to payment the trust agreement is presented to the savings bank 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 a valid and sufficient release and discharge of a savings bank 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 81-14-363 shall apply. No savings bank 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 owed to this state.

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

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

(2) If the named beneficiary or one (1) of the named
beneficiaries 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 such person,
the savings bank shall pay the money 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.

Such payment by the savings bank shall be valid, notwithstanding
any lack of legal age of the named beneficiary or beneficiaries.
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 subsection (3).

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

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

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

(c) To the legal guardian of the named beneficiary,
wherever appointed and qualified, or where more than one (1)
beneficiary is named, the savings bank shall pay such
beneficiary's proportionate interest in such account to his legal
guardian wherever and whenever appointed and qualified; or
(d) 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., Mississippi Code of 1972, in situations to which such sections are applicable.

(4) Where the death of the person or persons opening such an account terminates the account under the provisions of subsections (2) and (3) 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 savings bank shall pay the money to the credit of the trust, less all proper setoffs and charges, to:

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

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

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

(6) When a person or persons opens an account in a savings bank in the form set forth in subsection (1) 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 payments made, and in the money 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 money 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 subsection (3).

(7) 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 (6) 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 money to the credit of the
account, and the savings bank shall pay such money, 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 subsection (3) of this section.

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

(9) When an account is opened in a form described in
subsection (1) of this section, the right of the named beneficiary
or beneficiaries to be vested with sole and indefeasible title to
the money 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 any way 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 93. Section 81-14-365, Mississippi Code of 1972, is
reenacted as follows:

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

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

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

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

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

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

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

81-14-369. A savings bank and any federal savings bank may issue savings accounts to any minor or other person under disability as the sole and absolute owner of such savings account. Such savings bank may receive payments by or for such owner, pay withdrawals, accept pledges to the savings bank, and act in any other manner with respect to such account 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 savings bank for any payment so made or delivery of rights to such minor or person. The receipt, acquittance, pledge or other action required by the savings bank to be taken by such minor or person shall be binding upon such minor or person 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 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 savings bank for any sum not
exceeding One Thousand Dollars ($1,000.00), unless the minor or
person has given written notice to the savings bank not to accept
the signature of such person.

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

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

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

81-14-373. Upon the filing with a savings bank by the holder
of records as shown by the books of the savings banks, or by his
legal representative, of an affidavit to the effect that the
account book, certificate or other evidence of ownership of his
savings account with the savings bank has been lost or destroyed,
and that such account book or certificate has not been pledged or
assigned in whole or in part, such savings bank shall issue a new
account book or certificate in the name of the holder of record.
Such savings bank shall in no way be liable thereafter for the
original account book or certificates, unless the board of
directors requires a bond in an amount sufficient to indemnify the
savings bank against any loss which might result from the issuance
of such new account book or certificate.
SECTION 98. Section 81-14-375, Mississippi Code of 1972, is reenacted as follows:

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

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

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

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

81-14-379. Notice to any savings bank 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 cause the savings bank to
recognize such adverse claimant, unless: (a) such adverse claimant either procures a restraining order, injunction or other appropriate process against the savings bank from a court of competent jurisdiction wherein the savings account holder, in whose name the account appears, is made a party and served with summons; or (b) such adverse claimant executes to the savings bank, 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 101. Section 81-14-381, Mississippi Code of 1972, is reenacted as follows:

81-14-381. When an account is held in any savings bank 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, however, that such administrator or executor has furnished the savings bank 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 stating 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 savings bank 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. Such savings bank 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 savings bank for payment made in accordance with the
above provisions.

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

81-14-383. Any savings bank may pay to the heirs at law of a
deceased savings account holder, without necessity of
administration, upon affidavit that deceased died leaving no 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 to exceed Seven
Thousand Five Hundred Dollars ($7,500.00). The receipt of
acquittance of the person or persons so paid shall be a valid and
sufficient release and discharge to the savings bank against all
other persons and claimants for any payment so made; provided,
however, such bond is made available to any creditor for suit
against the makers of such bond.

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

81-14-385. (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 savings banks which are under
state supervision, and in accounts of insured savings banks. Such
investments shall be deemed and held to be legal investments for
such funds. With respect to investments by custodians, savings
banks 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 104. Section 81-14-387, Mississippi Code of 1972, is reenacted as follows:

81-14-387. A savings bank may borrow up to twenty-five percent (25%) of its savings liability and net worth for lending purposes; a savings bank 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; a savings bank 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 savings bank to secure any loans herein permitted. For the purpose of this paragraph, use of savings accounts in the savings bank shall not be considered borrowing.

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

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

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

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

(2) Notwithstanding any other provision of law, any stock savings bank 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 bank 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 bank. 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 bank 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.

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

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

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

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

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

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

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

SECTION 108. Section 81-14-501, Mississippi Code of 1972, which repeals the provisions of law providing for the regulation of savings banks, is hereby repealed.

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