

By: Senator(s) Mettetal

To: Business and Financial
Institutions

SENATE BILL NO. 2602

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

240 (e) The proposed bylaws;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

552 (a) Capable, efficient and equitable management;

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

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

555 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

868 (e) The plan of conversion provides that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1132 SECTION 42. Section 81-14-153, Mississippi Code of 1972, is
1133 reenacted as follows:

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

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

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

1142 (a) Reserve requirements;

1143 (b) Stock ownership and dividends;

1144 (c) Stock transfers;

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

1147 (e) Bylaws;

1148 (f) The operation of savings banks;

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

1151 (h) Loans and loan expenses;

1152 (i) Investments;

1153 (j) Forms and definitions;

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

1156 (l) Retention periods of various financial records;

1157 (m) Internal control procedures of savings banks;

1158 (n) Conduct and management of savings banks;

1159 (o) Chartering and branching;

1160 (p) Liquidations;

1161 (q) Mergers;

1162 (r) Conversions;

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

1164 (t) Conflicts of interest;

1165 (u) Service corporations; and

1166 (v) Holding companies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1642 (b) All judicial appeals are exhausted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1849 (b) Claims of holders of deposit accounts;

1850 (c) Claims of general creditors;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2133 (b) On the security of real estate:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3085 SECTION 108. Section 81-14-501, Mississippi Code of 1972,
3086 which repeals the provisions of law providing for the regulation
3087 of savings banks, is hereby repealed.

3088 SECTION 109. This act shall take effect and be in force from
3089 and after July 1, 2001.