

A BILL

FOR AN ACT TO AMEND AN "ACT TO PROVIDE FOR THE ORGANIZATION AND
MANAGEMENT OF SAVINGS BANKS, APPROVED MARCH 21ST, 1874."

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. That section 9 of said act be so amended as to read as follows; to-wit: It shall
2 be lawful for the directors or trustees of any such savings bank to invest the funds or
3 capital belonging to such bank, and all moneys deposited therein, and all the gains and
4 profits thereof only as follows, to-wit :

5 . *First.* In the stocks, or bonds, or notes, or warrants, or evidences of debt, bearing
6 interest of the United States, or of any State, county, city, town, village, township or
7 school district, or in other public interest bearing evidence of debt ; or,

8 *Second.* In notes or bonds secured by mortgage or deed of trust upon unincumbered
9 real estate, worth at least twice the amount loaned thereon.

10 *Third.* It shall be lawful for such banks to discount, purchase, sell and make loans
11 upon commercial paper, notes, bills of exchange, drafts, or any other personal or public
12 security, but no such bank shall purchase, hold or make loans upon the shares of its
13 capital stock.

14 *Fourth.* In all cases of loans upon real estate all the expenses of searches, examina-
15 tions, and certificates of title, or the inspection of property, appraisals of value, and of
16 drawing, perfecting, and recording papers, shall be paid by such borrowers. Wherever
17 buildings are included in the valuation of any real estate upon which a loan shall be
18 made by said bank, they shall be insured by the mortgager for the benefit of the bank
19 for at least two-thirds their value, in some reliable company, and the policy of insurance
20 shall be duly assigned to the bank ; and it shall be lawful for said bank to renew such
21 policy of insurance from year to year, in case the mortgager neglects to do so, and may
22 charge the same to him. All the necessary charges and expenses paid by said bank for
23 such renewals shall be paid by such mortgager to the said bank and shall be a lien
24 upon the property so mortgaged until paid.

SEC. 2. That section 10 of the said act be so amended as to read as follows, to-wit :

2 Sec. 10. It shall be lawful for savings banks to purchase, hold and convey other
3 property than herein expressly provided, only as follows, to-wit :

4 *First.* The lot and building in which the business of the bank may be carried on,
5 and furniture, fixtures and appliances for the use of the bank.

6 *Second.* Such as shall have been purchased at sales, upon foreclosures of mortgages
7 owned by the bank, or upon judgments or decrees owned by it, but all such property as
8 is described in this clause, shall be sold by said bank as soon as it reasonably can be.

9 *Third.* That section 31 of the said act, be so amended as to read as follows, to-wit :

10 Sec. 31. Any bank or association doing a banking business existing under and by
11 virtue of any law of this State, may be re-organized under the provisions of this act,
12 and any bank organized under this act may be re-organized under the general incorpo-
13 ration laws. Such re-organization shall not destroy the corporate identity of the bank
14 or association so re-organized, and shall not divest such bank or association of any of its
15 rights, franchises or property, nor discharge or release same from any of its liabilities to
16 its depositors, or to any other person or persons, but after such re-organization its
17 powers and duties shall be the same as if it had been originally what it is after such
18 re-organization. Any such bank or association desiring to re-organize as a savings
19 bank, may avail itself of the provisions of and become incorporated under this act, by
20 filing with the recorder of the county in which the principal place of business is
21 located, a certificate stating their intention and election to become so incorporated
22 hereunder, and by filing a certified copy thereof in the office of the Secretary of State,
23 which election and intention may be made and declared by the directors or trustees of
24 such bank or association, or a majority of them. The certificate stating such intention
25 may be signed by the president and cashier, or other equivalent officer, if there be no
26 president or no cashier of such bank or association, and shall be acknowledged before
27 some officer empowered to take acknowledgments of deeds, and in all other respects
28 existing banks and associations re-organizing as savings banks hereunder shall comply
29 with and conform to all the provisions and requirements of this act, with reference to
30 the original organization of savings banks so far as the same may be applicable, and as
31 soon thereafter as the auditor's certificate is received and published, as hereinbefore
32 provided, may proceed to transact business. Any savings bank desiring to re-organize
33 under the general incorporation laws, may determine so to do by the vote of a majority
34 of its board of directors or trustees. Upon such vote, articles of incorporation reciting
35 its prior existence as a savings bank, and the vote determining to re-organize under the
36 general incorporation laws, and in all other respects conforming to the requirements of
37 the general incorporation laws, shall be prepared and approved by a majority of the
38 board of directors or trustees and shall be signed by the president and cashier, or
39 treasurer, and acknowledged by them before some officer empowered to take acknowledg-
40 ments of deeds. Thereupon said articles shall be filed with the Recorder of Deeds and

41 with the Secretary of State, and notice published as required by the general incorpora-
42 tion laws, and such bank may commence business as re-organized as soon as the articles
43 are filed and publication made as aforesaid.

SEC. 3. All acts and parts of acts in conflict with this act are hereby repealed in so far as
2 they affect the provisions of this act. This act being deemed of immediate importance, will
3 take effect from and after its publication in the State Register and Leader, of Des Moines.