

April 5, 1951.
Sifting Committee.

House File 632
By JUDICIARY COMMITTEE 2.

Passed House, Date
Vote: Ayes..... Nays.....
Passed Senate, Date.....
Vote: Ayes..... Nays.....
Approved

A BILL FOR

An Act limiting the time in which actions may be brought to recover funds of closed receiverships held by the Department of Banking on the nineteenth day of January, 1951, and making provision for the disposition of such funds.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. No action based upon any claim arising or
2 existing prior to the twentieth day of January, 1951, shall
3 be maintained either at law or in equity in any court to
4 recover any part of the funds of closed receiverships held
5 by the receivership division of the Department of Banking
6 of the State of Iowa on the 19th day of January, 1951,
7 unless such claimant by himself or by his attorney or
8 agent, or if he be a minor or under legal disability, by
9 his guardian, trustee or either parent, shall within sixty
10 (60) days from and after June 1, 1951, commence an action
11 against the Superintendent of Banking alleging such claim
12 and demanding recovery thereon.

1 Sec. 2. In the event that any action or actions be
2 commenced as provided in the foregoing section the

3 Superintendent of Banking shall segregate from the funds
 4 of closed receiverships of the receivership division of the
 5 Department of Banking held by the said department on the 19th
 6 day of January, 1951, a sum equal to the amount of each such
 7 claim, and shall hold the funds so segregated pending final
 8 disposition of the claim for which the particular funds were
 9 segregated.

1 Sec. 3. Within fifteen days from and after expiration
 2 of the time within which actions may be commenced, as
 3 provided by section one (1) of this act, the Department of
 4 Banking shall transfer and pay over to the Iowa Centennial
 5 Memorial Foundation for the uses and purposes of the said
 6 Foundation, all funds of closed receiverships of the
 7 receivership division of the Department of Banking held by
 8 said Department of Banking on the 19th day of January, 1951,
 9 over and above the amount of such funds segregated under the
 10 provisions of section two (2) of this act, and as each action
 11 for which funds have been segregated is settled or finally
 12 adjudicated, the Superintendent of Banking shall immediately
 13 transfer and pay over to the said Iowa Centennial Memorial
 14 Foundation, for its uses and purposes, the balance remaining
 15 from the amount segregated for such action after payment of
 16 any settlement amount or judgment entry.

1 Sec. 4. This act being deemed of immediate importance
 2 shall become effective upon its publication in the
 3 a newspaper published at, Iowa, and in the

4 , a newspaper published at

5 Iowa.

EXPLANATION OF H. F. 632

After the majority of the bank receiverships administered by the Superintendent of Banking were closed, there remained in the hands of the Superintendent of Banking small sums which had not been disbursed as costs. The reason for this accumulation is that in each receivership the court would make an allowance for costs in that particular receivership, a part of which went into a general receivership fund. The receivership department of the Banking Department had a number of employees and other costs of administration of a general nature relating to all receiverships, and therefore it was impossible to break this cost down and apportion it to each receivership. For example, stenographers working in the receivership division handled correspondence and did general office work relating to all of the banks in receivership. Over 500 receiverships were handled, representing 800,000 depositors. The average return to each depositor out of the accumulated undisbursed costs would have been approximately 5 cents, and of course many receiverships were closed before it could even be known that there would be a surplus out of the receivership division cost fund. If attempts at disbursement were made many depositors would receive checks in a sum less than one cent. As nearly as can be determined, no depositor would receive a check for any substantial sum, probably the largest being approximately 25 cents. Of course it is impossible to make an actual breakdown of costs. It necessarily results that it is impossible to actually determine how much the depositors of any particular bank should receive.

Therefore, at this time there is in the hands of the Banking Department a sum in excess of \$30,000 which is not available to be used for any purpose. It is felt that an appropriate use which goes to the interest of all the people over the state would be in carrying out the purposes of the Iowa Centennial Memorial Foundation. This bill limits the time that actions may be brought to recover any of these funds and provides for transferring funds not claimed to the Iowa Centennial Memorial Foundation.