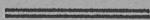


# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1943



# ENROLLED

SENATE BILL No. 131

(By Mr. Allen)

PASSED March 12 1943

In Effect Directly from Passage



131

ENROLLED  
Senate Bill No. 131

(BY MR. ALLEN, by request)

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[Passed March 12, 1943; in effect ninety days from passage.]

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AN ACT to amend chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, by adding thereto a new article to be known as article six-a, relating to the federal savings and loan insurance corporation.

*Be it enacted by the Legislature of West Virginia:*

That chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, be amended by adding thereto a new article, to be known as article six-a, to read as follows:

**Article 6-a. Federal Savings and Loan Insurance Corporation.**

Section 1. *Powers of Eligible Institutions.* Any insti-

2 tution eligible for insurance under the provisions of title  
3 four of the national housing act, approved the twenty-  
4 seventh day of June, one thousand nine hundred thirty-  
5 four, as amended, is hereby empowered to do all things  
6 necessary to obtain, continue, or terminate such insurance  
7 from the federal savings and loan insurance corpora-  
8 tion, and every action heretofore taken by any such insti-  
9 tution in connection with such insurance is hereby rati-  
10 fied and confirmed.

Sec. 2. *Powers as Receiver; Appointments.* The fed-  
2 eral savings and loan insurance corporation, created by  
3 title four of the national housing act, approved the  
4 twenty-seventh day of June, one thousand nine hun-  
5 dred thirty-four, as amended, is hereby authorized and  
6 empowered to be and act without bond as receiver or  
7 liquidator of any building and loan association, the shares,  
8 share accounts, or accounts in which are to any extent  
9 insured by said corporation, and which shall have been  
10 taken over for liquidation.

11 The appropriate state authority having the right to ap-  
12 point a receiver or liquidator of any such insured associa-

13 tion shall, in the event of the taking over of any such in-  
14 sured association for liquidation, tender to said cor-  
15 poration the appointment as receiver or liquidation there-  
16 of. If the corporation accepts such appointment, it shall  
17 have and possess all the powers and privileges provided  
18 by the laws of this state with respect to a receiver or  
19 liquidator of a building and loan association, its share-  
20 holders, investors, and other creditors, and be subject to  
21 all the duties of such receiver or liquidator.

Sec. 3. *Subrogation to Rights of Shareholder.* Whether  
2 or not the federal savings and loan insurance corporation  
3 shall serve as receiver or liquidator of any such insured  
4 association, whenever it shall pay or make available for  
5 payment the liabilities of any such insured association  
6 which are insured by it, it shall, upon the surrender and  
7 transfer to it of any share, share account, or account in-  
8 sured by it, be subrogated with respect to such share,  
9 share account, or account, but such surrender and trans-  
10 fer of such share, share account, or account shall not affect  
11 any right which the transferor thereof may have in any  
12 portion of such share, share account, or account which is

13 uninsured or any right to participate in the distribution  
14 of the net proceeds remaining from the disposition of the  
15 assets of such insured association: *Provided, That* the  
16 rights of the holders of shares, share accounts, or accounts  
18 of any such insured association shall be determined in  
19 accordance with the applicable provisions of the laws  
20 of this state.

Sec. 4. *Examinations; Reports.* The state banking com-  
2 missioner is authorized to accept, in his discretion, in lieu  
3 of any examination authorized by the laws of this state  
4 to be conducted by his department of a building and loan  
5 association which has the insurance protection provided  
6 by title four of the national housing act, as amended, the  
7 examination that may have been made of same within  
8 a reasonable period by the federal home loan bank ad-  
9 ministration, a federal home loan bank, or the federal  
10 savings and loan insurance corporation, provided a copy  
11 of said examination is furnished to said state banking  
12 commissioner. Said state banking commissioner may,  
13 also, in his discretion, accept any report relative to the  
14 condition of any such insured association which may have

15 been obtained by the federal home loan bank adminis-  
16 tration, a federal home loan bank, or the federal savings  
17 and loan insurance corporation within a reasonable  
18 period, in lieu of a report authorized by the laws of this  
19 state to be required of such association by his department,  
20 provided a copy of such report is furnished to said state  
21 banking commissioner.

22 Said state banking commissioner may furnish to the  
23 federal home loan bank administration, a federal home  
24 loan bank, or the federal savings and loan insurance cor-  
25 poration, or to any official or examiner thereof, a copy or  
26 copies of any or all examinations made of any such in-  
27 sured association and of any or all reports made by same,  
28 and shall give access to and disclose to the federal home  
29 loan bank administration, a federal home loan bank, or  
30 the federal savings and loan insurance corporation, or any  
31 official or examiner thereof, any and all information pos-  
32 sessed by the office of said state banking commissioner  
33 with reference to the conditions or affairs of any such in-  
34 sured institution.

35 Nothing in this section shall be construed to limit the  
36 duty of any such insured association to comply with the  
37 provisions of the federal home loan bank act or the na-  
38 tional housing act, their amendments or substitutions, or  
39 the requirements of the federal home loan bank admin-  
40 tration, a federal home loan bank, or the federal savings  
41 and loan insurance corporation relative to examinations  
42 and reports, nor to limit the powers of the state banking  
43 commissioner with reference to examinations and re-  
44 ports under existing law.

Sec. 5. *Title to Property Vested in Receiver.* Upon  
2 the acceptance of the appointment as receiver or liquida-  
3 tor as aforesaid by the federal savings and loan insurance  
4 corporation, the possession of and title to all the assets,  
5 business and property, of every kind and nature, of such  
6 insured association shall pass to and vest in said cor-  
7 poration without the execution of any instruments of con-  
8 veyance, assignment, transfer or endorsement.

Sec. 6. *When Fact of Corporation Not a Personal Lia-*  
2 *bility.* Except as otherwise in writing specifically agreed  
3 by the federal savings and loan insurance corporation, no

4 transaction contract, undertaking, or agreement, and no  
5 exercise by said corporation of any of the rights, powers,  
6 privileges and/or authority by this act or otherwise vested  
7 in it as receiver or liquidator or with respect to any re-  
8 ceivership or liquidation shall constitute a personal debt,  
9 obligation, or liability of or on the part of said cor-  
10 poration.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Roy L. Jamison  
Chairman Senate Committee

Fred L. Poteroff  
Chairman House Committee

Originated in the Senate

Takes effect Ninety days from passage

Fred B. Wallis  
Clerk of the Senate

J. R. Klipp  
Clerk of the House of Delegates

James Paull  
President of the Senate

John E. Auvie  
Speaker House of Delegates

The within approved this the 19th  
day of March, 1943.

Matthew A. Neely  
Governor.

Filed in the office of the Secretary of State  
of West Virginia MAR 19 1943

Wm. S. O'BRIEN,  
Secretary of State