AN ACT to amend and reenact section fifteen, article eight, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to investments by insurers in real property mortgages.

Be it enacted by the Legislature of West Virginia:

That section fifteen, article eight, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 15. Real Property Mortgages.—(a) An insurer may invest in entire first mortgages on improved unencumbered real estate or the entire issue of bonds secured thereby located within any state worth at least thirty-three and one-third per centum more than the
amount loaned thereon, based on sound appraisal by a competent appraiser and duly certified by him, provided that the investment in any one mortgage or any one issue of bonds or any one contract for deed does not exceed twenty-five thousand dollars or two per centum of the insurer’s assets, whichever is the greater.

(b) “Improved real estate,” as used in this section, means all farm land which has been reclaimed and is used for the purpose of husbandry, whether for tillage or pasture, and all real property on which permanent buildings suitable for residence or commercial use are situated.

(c) Real property shall not be deemed to be encumbered within the meaning of this section by reason of the existence of instruments reserving or excepting mineral rights and interests, rights-of-way, sewer rights and rights in walls or easements, nor by reason of building restrictions or other restrictive covenants, nor by reason of the fact that it is subject to lease under which rents or profits are reserved to the owners: Provided, That the security for such investment is a full and unrestricted first lien upon such real property and that there is no
condition nor right of re-entry or forfeiture under which such investments can be cut off, subordinated or otherwise disturbed.

(d) Notwithstanding the restrictions set forth in this section any insurer may invest (1) in bonds or notes secured by mortgage or trust deed insured by the federal housing administration or in debentures issued by it under the terms of an act of Congress of the United States entitled the "National Housing Act," as heretofore or hereafter amended and (2) in securities issued by national mortgage associations established by or under the authority of the National Housing Act, and (3) in bonds or notes secured by mortgage or trust deed guaranteed as to principal by the administrator of veterans' affairs pursuant to the provisions of Title III of an act of Congress of the United States as of June twenty-two, one thousand nine hundred forty-four, entitled the "Servicemen's Readjustment Act of one thousand nine hundred forty-four," as heretofore or hereafter amended.

(e) Notwithstanding the restrictions herein set forth the amount of any first mortgage investment as limited
by paragraph (a) of this section may be exceeded if and to the extent that such excess shall be guaranteed by the administrator of veterans' affairs pursuant to the provisions of Title III of an act of Congress of the United States of June twenty-two, one thousand nine hundred forty-four, entitled the "Servicemen's Re-Adjustment Act of one thousand nine hundred forty-four," as heretofore or hereafter amended.

(f) No such insurer shall in any manner, either directly or indirectly, by means of corporations, holding companies, trustees or otherwise, invest in real estate securities junior to first mortgages unless the first mortgage in its entirety is owned by the insurer.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

O. Ray Parker  
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the Senate.

Takes effect from passage.

J. Howard Hays  
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

Howard McCarroll  
President of the Senate

[Signature]
Speaker House of Delegates

The within approve this the 14th day of March, 1963.

[Signature]  
Governor