

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1963

ENROLLED

SENATE BILL NO. 289

(By Mr. McKown and Mr. Smith)

PASSED March 9 1963

In Effect From Passage



Filed in Office of the Secretary of State
of West Virginia 3-15-63
JOE F. BURDETT
SECRETARY OF STATE

#289

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Senate Bill No. 289

(By MR. MCKOWN AND MR. SMITH)

[Passed March 9, 1963; in effect from passage.]

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
2 may invest in entire first mortgages on improved un-
3 encumbered real estate or the entire issue of bonds se-
4 cured thereby located within any state worth at least
5 thirty-three and one-third per centum more than the

6 amount loaned thereon, based on sound appraisal by a
7 competent appraiser and duly certified by him, provided
8 that the investment in any one mortgage or any one
9 issue of bonds or any one contract for deed does not
10 exceed twenty-five thousand dollars or two per centum
11 of the insurer's assets, whichever is the greater.

12 (b) "Improved real estate," as used in this section,
13 means all farm land which has been reclaimed and is
14 used for the purpose of husbandry, whether for tillage or
15 pasture, and all real property on which permanent build-
16 ings suitable for residence or commercial use are situated.

17 (c) Real property shall not be deemed to be encum-
18 bered within the meaning of this section by reason of the
19 existence of instruments reserving or excepting mineral
20 rights and interests, rights-of-way, sewer rights and rights
21 in walls or easements, nor by reason of building restric-
22 tions or other restrictive covenants, nor by reason of the
23 fact that it is subject to lease under which rents or
24 profits are reserved to the owners: *Provided*, That the
25 security for such investment is a full and unrestricted
26 first lien upon such real property and that there is no

27 condition nor right of re-entry or forfeiture under which
28 such investments can be cut off, subordinated or other-
29 wise disturbed.

30 (d) Notwithstanding the restrictions set forth in this
31 section any insurer may invest (1) in bonds or notes se-
32 cured by mortgage or trust deed insured by the federal
33 housing administration or in debentures issued by it
34 under the terms of an act of Congress of the United
35 States entitled the "National Housing Act," as hereto-
36 fore or hereafter amended and (2) in securities issued
37 by national mortgage associations established by or under
38 the authority of the National Housing Act, and (3) in
39 bonds or notes secured by mortgage or trust deed guar-
40 anteed as to principal by the administrator of veterans'
41 affairs pursuant to the provisions of Title III of an act of
42 Congress of the United States as of June twenty-two, one
43 thousand nine hundred forty-four, entitled the "Service-
44 men's Readjustment Act of one thousand nine hundred
45 forty-four," as heretofore or hereafter amended.

46 (e) Notwithstanding the restrictions herein set forth
47 the amount of any first mortgage investment as limited

48 by paragraph (a) of this section may be exceeded if and
49 to the extent that such excess shall be guaranteed by the
50 administrator of veterans' affairs pursuant to the provi-
51 sions of Title III of an act of Congress of the United
52 States of June twenty-two, one thousand nine hundred
53 forty-four, entitled the "Servicemen's Re-Adjustment Act
54 of one thousand nine hundred forty-four," as heretofore
55 or hereafter amended.

56 (f) No such insurer shall in any manner, either di-
57 rectly or indirectly, by means of corporations, holding
58 companies, trustees or otherwise, invest in real estate
59 securities junior to first mortgages unless the first mort-
60 gage in its entirety is owned by the insurer.

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

O. Roy Parker
Chairman Senate Committee

Ethel L. Cransall
Chairman House Committee

Originated in the Senate.

Takes effect FROM passage.

Howard Keyes
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Howard E. Carson
President of the Senate

Julius W. Singleton Jr.
Speaker House of Delegates

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

W. M. Barron
Governor

