

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1971



ENROLLED

HOUSE BILL No. 627

(By Mr. MYLES AND Mr. HALBRITTER)



PASSED FEBRUARY 22, 1971

In Effect NINETY DAYS FROM Passage



FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 3-2-71

627

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House Bill No. 627

(By MR. MYLES and MR. HALBRITTER)

[Passed February 22, 1971; in effect ninety days from passage.]

AN ACT to amend and reenact section seven, article seven, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to industrial loan companies holding obligations secured by real estate.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 7. INDUSTRIAL LOAN COMPANIES.

§31-7-7. Limitations on powers.

- 1 A corporation under the provisions of this article shall
- 2 not:

3 (a) Make any loan under the provisions of this article
4 for a longer period than two years from the date thereof,
5 except upon express authorization of the board of direc-
6 tors of such company;

7 (b) Hold at any one time the primary obligation or
8 obligations of any one person, firm or corporation, for
9 more than ten percent of the amount of the paid-up
10 capital and surplus of such industrial loan company;

11 (c) Hold at any one time the obligation or obligations
12 of persons, firms or corporations purchased from any
13 person, firm or corporation in excess of twenty percent
14 of the aggregate paid-up capital and surplus of such in-
15 dustrial loan company;

16 (d) Make any loan or discount on the security of its
17 own capital stock (controlling and voting stock, if there
18 be more than one class), unless such security or purchase
19 shall be necessary to prevent loss upon a debt previ-
20 ously contracted in good faith. Stock so purchased or
21 acquired shall be sold at public or private sale or other-
22 wise disposed of within ninety days from the time of its
23 purchase or acquisition;

24 (e) Have outstanding at any time its evidences or
25 certificates of indebtedness, in an aggregate sum in ex-
26 cess of ten times the aggregate amount of its paid-up
27 capital (voting and controlling stock) and surplus;

28 (f) Deposit any of its funds with any other moneyed
29 corporation unless such corporation has been designated
30 as such depository by a vote of the majority of the board
31 of directors;

32 (g) Pledge or hypothecate any of its securities to
33 any creditor, except that such companies shall have the
34 power to rediscount or to borrow money from any source
35 in addition to selling its evidences or certificates of in-
36 debtedness, but the aggregate amount of such redis-
37 counting and borrowing shall at no time exceed the sum
38 total of the capital, surplus and reserve funds of such
39 company, and the security so pledged therefor shall not
40 exceed two times the amount borrowed and redis-
41 counted;

42 (h) Pay any fees, bonuses, commissions, rewards, or
43 other consideration to any person, firm or corporation
44 for the privilege of using any plan of operation, scheme

45 or device for the organization or carrying on of business
46 under this article, or the use of any name, trademark
47 or copyright to be so used; nor shall any corporation
48 under this article enter into any contract for such pur-
49 pose or purposes, or for the purpose of giving to or vest-
50 ing in any other corporation any power or authority
51 over the organization or management of corporations
52 under this article.

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

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within approved this the 1st
day of March, 1971.

[Signature]
Governor



PRESENTED TO THE
GOVERNOR

Date 2/24/71

Time 1:45 p.m.

MAR 2 12 43 PM '71
OFFICE OF STATE
SECRETARY OF VIRGINIA
STATE OF VIRGINIA

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