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
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 not:
(a) Make any loan under the provisions of this article for a longer period than two years from the date thereof, except upon express authorization of the board of directors of such company;

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

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

(d) Make any loan or discount on the security of its own capital stock (controlling and voting stock, if there be more than one class), unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith. Stock so purchased or acquired shall be sold at public or private sale or otherwise disposed of within ninety days from the time of its 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
or device for the organization or carrying on of business under this article, or the use of any name, trademark or copyright to be so used; nor shall any corporation under this article enter into any contract for such purpose or purposes, or for the purpose of giving to or vesting in any other corporation any power or authority over the organization or management of corporations 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.