WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1972

ENROLLED

SENATE BILL NO. 41

(By Mr. BROTHERTON)

PASSED........................... MARCH 9, 1972

In Effect.......................... FROM Passage
ENROLLED
Senate Bill No. 41
(By Mr. Brotherton)

[Passed March 9, 1972; in effect from passage.]

AN ACT to amend and reenact sections twenty-one and forty-three, article six, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to building and loan associations; providing that no building and loan association shall take a mortgage or deed of trust upon real estate unless a written report thereon shall have been made by an appraiser examining the real estate and thereafter approved by at least two members of the appraisal committee indicating adequate security for the loan described in such mortgage or deed of trust; increasing from ninety to ninety-five percent of the appraised value of improved real estate the amount which may be secured by a mortgage or deed of trust taken by a savings and loan association, with certain exceptions; and authorizing any building and loan association whose accounts are insured by the federal savings and loan insurance corporation to make any loan or investment permitted to be made by any federal savings and loan association doing business in this state on January two, one thousand nine hundred seventy-two.

Be it enacted by the Legislature of West Virginia:

That sections twenty-one and forty-three, article six, 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 6. BUILDING AND LOAN ASSOCIATIONS.

§31-6-21. Conditions on which association may take mortgage or deed of trust.

1 No building and loan association shall:
2 First: Take a mortgage or deed of trust upon real estate unless a written application is first made for the
loan described in such mortgage or deed of trust, showing
the date, name of applicant, amount of loan desired, de-
scription of the real estate offered, and other information
necessary, and unless a written report thereon shall have
been made by an appraiser examining the real estate and
thereafter approved by at least two members of the ap-
praisal committee indicating, in their judgment, it affords
adequate security for such loan. Such report shall show
separately the value of the land and the value of the im-
provements and of the building or buildings erected
thereon. The application and the report shall be filed and
preserved with all the other papers relating to the loan.

Second: Take a mortgage or deed of trust upon im-
proved real estate if the amount secured by such mort-
gage or deed of trust, plus any prior liens, exceeds
ninety-five per centum of the appraised value thereof as
shown by such report, unless said excess be secured by a
pledge of free stock or notes of the association, or unless
said excess is insured or guaranteed by the United States
or any instrumentality thereof, or there is a commitment
to so insure or guarantee. No loan shall be made on the
security of vacant real estate if the amount so secured,
plus any prior liens, exceed fifty per centum of the ap-
praised value thereof as shown by such report.

Third: Take a mortgage or deed of trust upon real
estate unless the title to such real estate is approved by
the attorney of the association.

§31-6-43. Certain building and loan associations may make
loans and investments permitted to be made by
federal savings and loan associations doing busi-
ness in this state.

In addition to all other powers conferred by this article,
building and loan associations whose accounts are in-
sured by the federal savings and loan insurance corpora-
tion are authorized and empowered to make any loan
or investment permitted to be made by any federal
savings and loan association doing business in this state
on the second day of January, one thousand nine hun-
dred seventy-two: Provided, That all such loans and in-
vestments shall be made upon the same terms and conditions and subject to the same restrictions and limitations as were at said date prescribed for loans and investments made by such a federal savings and loan association doing business in this state under the provisions of the Homeowners Loan Act of one thousand nine hundred thirty-three, as amended, and the "Rules and Regulations for the Federal Savings and Loan System," as amended, promulgated by the federal home loan bank board: Provided, however, That (a) whenever and wherever authorization by charter or bylaws of such a federal savings and loan association was at said date required by said law or said rules and regulations as a prerequisite to the making of any such loan or investment, such authorization in the case of a building and loan association may be granted by its charter or constitution and bylaws, as the case may be, or by amendments thereto heretofore or hereafter duly adopted; (b) whenever or wherever authorization of the members of such a federal savings and loan association was at said date required by said law or by said rules and regulations as a prerequisite to the making of any such loan or investment, such authorization may in the case of a building and loan association be granted by its shareholders; and (c) whenever and wherever approval by the board of directors of such a federal savings and loan association was at said date required by said law or by said rules and regulations as a prerequisite to the making of any such loan or investment, such approval may in the case of a building and loan association be granted by the board of directors of such building and loan association.

Building and loan associations are authorized and empowered to amend their charters, constitutions and bylaws to provide for the making of all loans and investments permitted by this section and their shareholders and boards of directors are authorized to take any and all actions required to authorize the making of such loans and investments.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

To take effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within ________________ approved this the 27th day of ________________, 1972.

Governor
PRESENTED TO THE GOVERNOR

Date  3/16/72  
Time  2:10 p.m.  
