

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1972

ENROLLED

SENATE BILL NO. 41

(By Mr. BROTHERTON)

PASSED MARCH 9 1972

In Effect FROM Passage

OFFICE OF
SECRETARY OF STATE
STATE OF WEST VIRGINIA

MAR 29 11 37 PM '72

FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE

THIS DATE 3-29-72

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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
- 3 estate unless a written application is first made for the

4 loan described in such mortgage or deed of trust, showing
5 the date, name of applicant, amount of loan desired, de-
6 scription of the real estate offered, and other information
7 necessary, and unless a written report thereon shall have
8 been made by an appraiser examining the real estate and
9 thereafter approved by at least two members of the ap-
10 praisal committee indicating, in their judgment, it affords
11 adequate security for such loan. Such report shall show
12 separately the value of the land and the value of the im-
13 provements and of the building or buildings erected
14 thereon. The application and the report shall be filed and
15 preserved with all the other papers relating to the loan.

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

28 Third: Take a mortgage or deed of trust upon real
29 estate unless the title to such real estate is approved by
30 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.**

1 In addition to all other powers conferred by this article,
2 building and loan associations whose accounts are in-
3 sured by the federal savings and loan insurance corpora-
4 tion are authorized and empowered to make any loan
5 or investment permitted to be made by any federal
6 savings and loan association doing business in this state
7 on the second day of January, one thousand nine hun-
8 dred seventy-two: *Provided*, That all such loans and in-

9 vestments shall be made upon the same terms and
10 conditions and subject to the same restrictions and limita-
11 tions as were at said date prescribed for loans and
12 investments made by such a federal savings and loan
13 association doing business in this state under the pro-
14 visions of the Homeowners Loan Act of one thousand
15 nine hundred thirty-three, as amended, and the "Rules
16 and Regulations for the Federal Savings and Loan Sys-
17 tem," as amended, promulgated by the federal home
18 loan bank board: *Provided, however,* That (a) whenever
19 and wherever authorization by charter or bylaws of
20 such a federal savings and loan association was at said
21 date required by said law or said rules and regulations
22 as a prerequisite to the making of any such loan or
23 investment, such authorization in the case of a building
24 and loan association may be granted by its charter or
25 constitution and bylaws, as the case may be, or by
26 amendments thereto heretofore or hereafter duly adopted;
27 (b) whenever or wherever authorization of the members
28 of such a federal savings and loan association was at
29 said date required by said law or by said rules and
30 regulations as a prerequisite to the making of any such
31 loan or investment, such authorization may in the case
32 of a building and loan association be granted by its share-
33 holders; and (c) whenever and wherever approval by
34 the board of directors of such a federal savings and
35 loan association was at said date required by said law
36 or by said rules and regulations as a prerequisite to the
37 making of any such loan or investment, such approval
38 may in the case of a building and loan association be
39 granted by the board of directors of such building and
40 loan association.

41 Building and loan associations are authorized and em-
42 powered to amend their charters, constitutions and by-
43 laws to provide for the making of all loans and invest-
44 ments permitted by this section and their shareholders
45 and boards of directors are authorized to take any and
46 all actions required to authorize the making of such
47 loans and investments.

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

Russell G. Beall
Chairman Senate Committee

Phyllis J. Rutledge
Chairman House Committee

Originated in the Senate.

To take effect from passage.

Howard Robinson
Clerk of the Senate

W. Blankenship
Clerk of the House of Delegates

E. James McCourt
President of the Senate

Lewis J. McManis
Speaker House of Delegates

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

Paul A. Moore, Jr.
Governor

PRESENTED TO THE
GOVERNOR

Date 3/16/72

Time 2:10 p.m.