

March 3, 1999

H 219. SAVINGS INSTITUTION CHANGES. *TO AMEND CHAPTERS 54B AND 54C OF THE GENERAL STATUTES TO MAKE TECHNICAL CHANGES TO THE LAW GOVERNING STATE-CHARTERED SAVINGS AND LOAN ASSOCIATIONS AND SAVINGS BANKS AND TO INCREASE THE PERMITTED PERCENTAGE OF COMMERCIAL LOANS.* (1) Amends GS 54B-152(a) (regarding property against which savings and loan associations may make loans) so that the section provides that real property is deemed unencumbered (now, encumbered) unless the security interest on the property establishes a first lien upon the property. (2) Deletes GS 54C-18 (which now requires state savings banks to keep 60% of their assets in investments qualifying under certain provisions of Title 26 of the United States Code. (3) Amends GS 54C-143 (which provides that a savings bank may not lend more than 15% of its total assets in commercial loans or investments in commercial loans) to permit the Administrator of the Savings Institution Division to allow a bank to exceed the 15% limit upon application by the bank, after taking into account the expertise of the bank's management and the overall risk profile of the bank.

Intro. by Church and Ramsey.

Ref. to Financial Inst

GS 54C