

CHAPTER 49.

[Engrossed House Bill No. 331.]

SAVINGS AND LOAN ASSOCIATIONS.

AN ACT relating to savings and loan associations; amending section 11, chapter 235, Laws of 1945, and RCW 33.08.100; amending section 49, chapter 235, Laws of 1945 as last amended by section 3, chapter 246, Laws of 1963, and RCW 33.12.090; amending section 57, chapter 235, Laws of 1945 as last amended by section 3, chapter 222, Laws of 1961, and RCW 33.12.130; amending section 70, chapter 235, Laws of 1945, and RCW 33.24.130; amending section 72, chapter 235, Laws of 1945, as amended by section 5, chapter 280, Laws of 1959, and RCW 33.24.150; amending section 9, chapter 122, Laws of 1955 and RCW 33.48.080; adding new sections to chapter 235, Laws of 1945, and to Title 33 RCW; and repealing section 50, chapter 235, Laws of 1945, section 3, chapter 20, Laws of 1949, section 4, chapter 71, Laws of 1953, and RCW 33.12.100.

Be it enacted by the Legislature of the State of Washington:

RCW 33.08.100
amended.

Section 1. Section 11, chapter 235, Laws of 1945, and RCW 33.08.100 are each amended to read as follows:

Savings and
loan associ-
ations. Bylaws
—Amendment
—Approval.

The bylaws adopted by the incorporators and approved by the supervisor shall be the bylaws of the association. The members, at any meeting called for the purpose, may amend the bylaws of the association on a majority vote of the members present, in person or by proxy, or the directors at any regular or special meeting called under the provisions of RCW 33.16.090 may amend the bylaws of the association on a two-thirds majority vote of the directors. Proposed amendments of the bylaws shall be submitted to the supervisor in duplicate at least thirty days prior to the meeting at which the amendments will be considered. The supervisor shall endorse thereon the word "approved" or "disapproved" and return one copy to the association within the thirty day period prior to the meeting. Amendments of the bylaws which have been ap-

proved by the supervisor shall become effective after being adopted by the board or the members. The supervisor shall be advised of the effective date.

Sec. 2. Section 49, chapter 235, Laws of 1945, as last amended by section 3, chapter 246, Laws of 1963, and RCW 33.12.090 are each amended to read as follows:

RCW 33.12.090
amended.

An association by a majority vote of the board of directors may declare and pay dividends from net earnings or from amounts remaining in the undivided profits or unallocated reserve accounts.

Dividends.

An association shall not declare, credit, or pay dividends on any amount to the credit of a savings member for a longer period than it has been credited: *Provided*, That savings paid in not later than the tenth day of any month (unless the tenth day is not a business day, in which case it may be the next succeeding business day) or withdrawn during the last three business days ending a dividend period, may have dividends declared upon them for the whole of the month or period in which they were paid in.

An association may not be required to pay dividends on balances of less than five dollars, and may make a service charge of not more than one dollar in any calendar year against any savings account if no funds have been paid in or withdrawn during the preceding three years and the whereabouts of the member is unknown to the association and he has not responded within thirty days to a registered or certified letter mailed to his last known address which stated that a service charge will be made unless the account be increased, posted, or closed.

Sec. 3. Section 57, chapter 235, Laws of 1945 as last amended by section 3, chapter 222, Laws of 1961, and RCW 33.12.130 are each amended to read as follows:

RCW 33.12.130
amended.

Savings and
loan associa-
tions—Aval-
able fund
requirements.

Every association shall have at all times cash on hand and balances due from solvent banks or checks in transit for collection from solvent banks, or funds deposited on time or demand with the federal home loan bank of which the association is a stockholder, certificates of deposit or time deposits in a bank, or savings accounts in other insured savings and loan associations or banks, or bonds or obligations authorized by RCW 33.24.020 to 33.24.040 and 33.24.090, which cash, bonds or other obligations shall not be pledged or otherwise held as security for the payment of any obligations of the association, an amount not less than ten percent of the aggregate of the savings accounts of its members: *Provided*, That for associations insured by the federal savings and loan insurance corporation liquidity requirements shall not be greater than those required by the federal home loan bank system.

Whenever an association shall have on hand less available funds or bonds or obligations than are hereinabove required, it shall discontinue the making of any loans or other investments, except those for which its commitments have previously been issued, until a status complying with the provisions of this section shall be reestablished.

RCW 33.24.130
amended.

Sec. 4. Section 70, chapter 235, Laws of 1945 and RCW 33.24.130 are each amended to read as follows:

Loans and
investments.

For every mortgage loan made, the association shall require that the mortgagor procure and maintain fire insurance upon the buildings and improvements situated on the mortgaged premises, in a company authorized to write fire insurance in this state, in such amount as shall be stipulated in the mortgage, with loss payable to the association, and that the policy or policies of insurance be deposited with and held by the association until the loans shall be paid: *Provided*, That an association need not hold the policy or policies if it carries a policy which

protects the association should a mortgagor fail to maintain his insurance.

The association may require such other insurance at any time as its board of directors may deem advisable for its protection up to the balance of its loan account.

Before making any mortgage loan, the association shall require:

(1) Title insurance issued by a duly qualified title insurance company; or

(2) In the case of lands registered under the Torren's system, a duplicate certificate of ownership issued by a registrar of titles; or

(3) An abstract of title, certified to the date of the loan by a duly qualified abstract company of the county in which the land is situated, accompanied by a written opinion of a competent attorney to the effect that the proposed mortgage will constitute a first lien upon such property.

Sec. 5. Section 72, chapter 235, Laws of 1945, as amended by section 5, chapter 280, Laws of 1959, and RCW 33.24.150 are each amended to read as follows:

RCW 33.24.150
amended.

An association may invest in promissory notes fully secured by the pledge or assignment of the savings account of the borrowing member.

Loans and
investments.
Notes secured
by savings
account.

An association may invest its funds in loans upon the security of a savings account in any other savings and loan association doing business in this state, if such account be insured by the federal savings and loan insurance corporation or any other federal or state agency. Any such loan shall not exceed ninety percent of the amount of such account or ninety percent of the amount of the insurance thereon, whichever is the smaller.

The pledge to any association or federal savings and loan association of all or part of a savings account in joint tenancy signed by that person or

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those persons who are authorized in writing to make withdrawals from the account shall, unless the terms of the savings account provide specifically to the contrary, be a valid pledge and transfer to the association of that part of the account pledged, and shall not operate to sever or terminate the joint and survivorship ownership of all or any part of the account.

RCW 33.48.080 amended.

Sec. 6. Section 9, chapter 122, Laws of 1955 and RCW 33.48.080 are each amended to read as follows:

Guaranty stock state savings and loan associations.

Each member having guaranty stock in an association shall have a proportionate proprietary interest in its assets and net earnings subordinate to the claims of its other creditors with priorities as established by this chapter; but no other member as defined in RCW 33.48.010 shall have any such interest except as provided in RCW 33.48.120.

New section.

Sec. 7. There is added to chapter 235, Laws of 1945, and to chapter 33.24 RCW a new section to read as follows:

Loans and investments—
Mobile homes.

An association may invest its funds in loans upon the security of mobile dwellings used as semi-permanent or permanent housing. Loans made pursuant to this section shall not exceed five percent of the association's assets.

New section.

Sec. 8. There is added to chapter 235, Laws of 1945, and chapter 33.24 RCW a new section to read as follows:

Loans for home repairs, additions, or furnishings—
Limitation.

An association may invest not to exceed five percent of its assets in secured or unsecured loans for home or property repairs, alterations, improvements or additions, or home furnishings or appliances: *Provided*, That the principal amount of any such loan shall not exceed five thousand dollars and shall be repayable in equal monthly installments commencing not more than sixty days after the date of

such loan and extending over a payment period of not to exceed seven years.

Sec. 9. Section 50, chapter 235, Laws of 1945, section 3, chapter 20, Laws of 1949, section 4, chapter 71, Laws of 1953 and RCW 33.12.100 are each hereby repealed. Repeal.

Passed the House February 25, 1967.

Passed the Senate March 8, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 50.

[Engrossed House Bill No. 350.]

TEACHERS' RETIREMENT.

AN ACT relating to public employment; amending section 1, chapter 81, Laws of 1965 extraordinary session, and RCW 41.32.010; amending section 25, chapter 80, Laws of 1947 and RCW 41.32.250; amending section 26, chapter 80, Laws of 1947 as last amended by section 2, chapter 132, Laws of 1961 and RCW 41.32.260; amending section 28, chapter 80, Laws of 1947 as amended by section 9, chapter 274, Laws of 1955 and RCW 41.32.280; amending section 42, chapter 80, Laws of 1947 as amended by section 13, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.420; amending section 43, chapter 80, Laws of 1947 as last amended by section 14, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.430; amending section 50, chapter 80, Laws of 1947 as last amended by section 5, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.500; amending section 52, chapter 80, Laws of 1947 as last amended by section 6, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.520; amending section 20, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.522; amending section 21, chapter 14, Laws of 1963 extraordinary session as amended by section 7, chapter 81, Laws of 1965 extraordinary session and RCW 41.32.523; amending section 55, chapter 80, Laws of 1947 as last amended by section 19, chapter 14, Laws of 1963 extraordinary session and RCW 41.32.550; and providing an effective date.