

CHAPTER 71.

[S. B. 125.]

SAVINGS AND LOAN ASSOCIATIONS.

AN ACT relating to the organization, management and supervision of savings and loan associations; defining their powers; regulating savings dividends; requiring certain liquidity; limiting their investments; prescribing certain procedures; and amending sections 33.08.070, 33.12.060, 33.12.090, 33.12.100, 33.20.150, 33.24.010, 33.24.080, 33.24.090, 33.24.140, 33.40.070 and 33.40.110, RCW; and repealing section 33.20.160, RCW.

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

Amendment.

SECTION 1. Section 33.08.070, RCW, as derived from section 8, chapter 235, Laws of 1945, is amended to read as follows:

Approval or rejection of articles of incorporation and bylaws.

The supervisor, not later than six months after receipt of the proposed articles and bylaws shall endorse upon each copy thereof the word "approved" or "refused" and the date thereof. In case of refusal, he shall forthwith return one copy of the articles and bylaws to the incorporators, and the refusal shall be final unless the incorporators, or a majority of them, within thirty days after the refusal, appeal to the superior court of Thurston county. The appeal may be accomplished by the incorporators preparing a notice of appeal, serving a copy of it upon the supervisor, and filing the notice with the clerk of the court, whereupon the clerk, under the direction of the judge, shall give notice to the appellants and to the supervisor of a date for the hearing of the appeal. The appeal shall be tried *de novo* by the court. At the hearing a record shall be kept of the evidence adduced, and the decision of the court shall be final unless an appeal therefrom is taken to the supreme court as in other cases.

Amendment.

SEC. 2. Section 33.12.060, RCW, as derived from section 35, chapter 235, Laws of 1945, is amended to read as follows:

An association shall make no loan to or sell to or purchase any real property or securities from any director, officer, agent or employee of an association or to or from any public officer or public employee whose duties have to do with the supervision, regulation, or insurance of the association or its savings accounts or mortgages.

Loans to directors, officers or agents; prohibited.

The foregoing provisions shall not apply to loans secured by the pledge or assignment of the savings account of the borrowing member, nor to loans made to directors, officers, agents or employees of the association upon their property which is occupied principally by such director, officer, agent or employee as a home, the amount of such loan to be based upon the appraised value of said property as established by two independent appraisers who are not officers, agents, directors, employees, or appraisers of the association.

Same; exception.

A loan to or a purchase or sale to or from a partnership or corporation of which such a director, officer, agent or employee is an owner or stockholder to the amount of fifteen percent of the total ownership or stock, or in which he and other directors of the association hold an ownership or stock to the amount of twenty-five percent of the total ownership or stock, shall be deemed a loan to or a purchase or sale to or from such director within the meaning of this section except when the transaction occurred without the knowledge or against the protest of such director, officer, agent or employee of the association.

Same; defined.

SEC. 3. Section 33.12.090, RCW, as derived from section 49, chapter 235, Laws of 1945, is amended to read as follows:

Amendment.

An association shall not:

(1) Declare, credit, or pay a dividend except as authorized by a vote of the majority of the board entered upon its minutes; or

Dividends; board action required.

(2) Declare, credit, or pay dividends on any

Same; acts prohibited.

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 business day of June or December may have dividends declared upon them for the whole of the month or period in which they were paid in.

Amendment.

SEC. 4. Section 33.12.100, RCW, as derived from section 3, chapter 20, Laws of 1949, is amended to read as follows:

Contingent and reserve fund deposits.

As of the last business day of June and December of each year the net earnings of the association shall be determined and there shall be transferred to the contingent fund the amount required, and to other reserve accounts such additional amounts as the directors may deem expedient for the security of the members. The board of directors may declare dividends payable on the last business day of June and December of each year from the amount of net earnings remaining for the period and from amounts remaining in the undivided profits or unallocated reserve accounts.

Dividends; declaration and source.

An association may not be required to pay dividends on balances of less than five dollars.

Same; balances less than five dollars.

Amendment.

SEC. 5. Section 33.20.150, RCW, as derived from section 54, chapter 235, Laws of 1945, is amended to read as follows:

Withdrawals.

The savings paid into an association, together with dividends credited thereon, shall be repaid to the savings members thereof respectively, or to their legal representatives, upon request.

Every request for withdrawal shall be in writing. If, in the judgment of the board, circumstances warrant deferment of the payment of withdrawals to a later date, thereafter withdrawals shall be paid proportionately, on a percentage basis, to all members

requesting withdrawal until full withdrawal requests are paid to all members.

The board shall, however, have the right in its discretion, where need is shown, to pay not exceeding one hundred dollars to any account holder in one month. Every member shall participate in the dividends of the association until his withdrawal is paid.

If, upon examination the supervisor finds that further postponement of withdrawals is unwarranted, he may order the association to resume full payment of withdrawals and cancel all written withdrawal requests. Such order shall be in writing.

The association's failure, during a period of postponement, to pay withdrawal requests shall not authorize the supervisor to take charge of or liquidate the association.

SEC. 6. Section 33.24.010, RCW, as derived from section 5, chapter 257, Laws of 1947, is amended to read as follows: **Amendments.**

An association may invest its funds only as provided in this chapter. **Investments.**

It shall not invest more than two and a half percent of its assets or ten thousand dollars, whichever is the greater, in a loan or loans, or in the purchase of contracts on the security of any one property. **Maximums.**
One property.

It shall not loan to or purchase contracts payable by any one person, or community consisting of husband and wife, in an amount in excess of two and a half percent of its assets, or ten thousand dollars, whichever is the greater, except with written approval of the supervisor. As to any such loan or contract purchase in excess of two and a half percent of its assets, or ten thousand dollars, whichever is the greater, the association shall set up a special loss reserve from current earnings equal to five percent of such loan or contract purchase price. Such special reserve may be withdrawn when such loan or con- **One person.**
Special loss reserve.

tract balance is reduced to an amount not exceeding two and a half percent of the assets of the association, or ten thousand dollars, whichever is the greater.

Amendment. SEC. 7. Section 33.24.080, RCW, as derived from section 65, chapter 235, Laws of 1945, is amended to read as follows:

Investments.
Local
improvement
bonds.

An association may invest its funds in the bonds of any local improvement district of any city of this state (except bonds issued for an improvement consisting of grading only), the ultimate payment of which is guaranteed by the municipality under the provisions of guaranty laws of this state: *Provided*, That one-half of the lots in the district are improved with revenue producing houses or other improvements and that local improvement district bonds falling within the twenty-five percent, in amount of any issue, last callable for payment shall neither be acquired nor taken as security. The aggregate of the investments of an association in any issue of such bonds shall at no time exceed three percent of the amount of its savings accounts, and it may not have invested, at any one time, more than one hundred thousand dollars in the bonds of any such district.

Amendment. SEC. 8. Section 33.24.090, RCW, as derived from section 66, chapter 235, Laws of 1945, is amended to read as follows:

Investments:
Obligations
of federal
or state
authorized
agencies.

An association may invest its funds in stock or notes, bonds, debentures, or other such obligations of any federal home loan bank, the Home Owners' Loan Corporation, any federal land bank, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, or any state or federal agency organized under the laws of the United States or of the state of Washington authorized to loan to or act as a fiscal agency for, or insurer of, a savings and loan association.

Other
savings and
loan
associations.

An association may become a member of and invest its funds in other savings and loan associations

organized under either federal or state law, which are doing business in this state: *Provided*, That the investment in any such other savings and loan association shall not exceed the amount which is insured by the Federal Savings and Loan Insurance Corporation.

SEC. 9. Section 33.24.140, RCW, as derived from section 71, chapter 235, Laws of 1945, is amended to read as follows: Amendment.

An association may invest its funds in the purchase of or loan upon real estate contracts under the following conditions only: Investment of association funds in real estate contracts.

(1) That it shall acquire the title in fee to the property covered by such contracts;

(2) That the type of property be such as would be eligible for a mortgage loan under this chapter; and

(3) That not less than twenty percent of the principal of the purchase price under the contract has been paid or that the amount due under the contract shall not exceed seventy-five percent of the appraised value of the property, whichever is the lower, and that the purchaser shall not be in default in performance of any of the terms of the contract. An association, subject to the provisions of RCW 33.24-.010, may purchase any real estate contract which a federal association doing business in this state is permitted to purchase.

Before making any such purchase, or loan, the property shall be appraised and the purchase approved as in the case of mortgage loans.

SEC. 10. Section 33.40.070, RCW, as derived from section 108, chapter 235, Laws of 1945, is amended to read as follows: Amendment.

The liquidator, upon the approval of the court, may sell, discount, or compromise debts of the association and claims against its debtors. The liquidator, with the approval of the court, may lease, operate, Power of liquidator.

repair, exchange, or sell, either for cash or upon terms, the real and personal property of the association.

The liquidator, with the approval of the court, when funds are available, may pay savings members whose balances amount to not more than five dollars, the full amount of the balances.

Checks
issued or
payments
held by
liquidator.

Checks issued or payments held by the liquidator which remain undelivered for six months following the final liquidation dividend, shall be deposited with the supervisor, after which the liquidator shall be discharged by the court. During ten years thereafter, the supervisor shall deliver the checks or payments, or his own checks in lieu thereof, to the payee, or his legal representative, upon receipt of satisfactory evidence of his right thereto. After said ten years, the supervisor shall cancel all such checks or payments remaining in his possession and issue his check against the account for the amount thereof, payable to the state treasurer, and deliver it to him. Such payment shall escheat to the state, without further legal proceedings.

Amendment.

SEC. 11. Section 33.40.110, RCW, as derived from section 112, chapter 235, Laws of 1945, is amended to read as follows:

Voluntary
liquidation;
unclaimed
dividends
and records.

In a voluntary liquidation of an association, checks issued in the liquidation or funds representing liquidating dividends or otherwise which remain undelivered for six months following the final liquidating dividend, shall be deposited with the supervisor, together with any files, records, documents, books of account, or other papers of the association. The supervisor, at any time after one year, may destroy any of such files, records, documents, books of account, or other papers which appear to him to be obsolete or unnecessary for future reference. During ten years thereafter, the supervisor shall deliver such checks, or his own checks in lieu thereof, or

portions of such funds to the payee, or his legal representative, upon receipt of satisfactory evidence of his right thereto. After the ten years, the supervisor shall cancel all such checks remaining in his possession and issue his check payable to the state treasurer for the amount thereof together with any other liquidating funds, and deliver them to him. Such payment shall escheat to the state without further legal proceedings.

SEC. 12. Section 33.20.160, RCW, being section 98, chapter 235, Laws of 1945, is hereby repealed. Repealing
clause.

Passed the Senate February 26, 1953.

Passed the House February 25, 1953.

Approved by the Governor March 4, 1953.

CHAPTER 72.

[S. B. 194.]

MOTOR VEHICLES—MAXIMUM GROSS WEIGHTS.

AN ACT relating to the maximum gross weight of vehicles operating upon the public highways; and amending section 46.44.044, RCW.

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

SECTION 1. Section 46.44.044, RCW, derived from section 28, chapter 269, Laws of 1951, is hereby amended to read as follows: Amendment.

Subject to the maximum axle and gross weights specified in subsection (1) of RCW 46.44.040, it is unlawful to operate any motor vehicle or combination of vehicles unless the same comply with both subdivisions (a) and (b) of this section.

(a) The total gross weight, including load, on any group of axles of a vehicle or combination of vehicles, where the distance between the first and last axles of any group of axles is eighteen feet or Maximum
total gross
load.