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77 LSO 220

SENATE FILE

24

Titles:

AN ACT to amend W.S. 13-21 relating to bank loans on real estate; providing that banks may purchase partial obligations secured by first liens on real estate; and providing for an effective date.

SENATE FILE 07

Sponsored by:

Robert M. Johnson

DATE	ACTION	DATE	ACTION
Jan 11	INTRODUCED		
	READ FIRST TIME		
	ONAL TO.....1	FEB 23 1977	CONSIDERED IN COM. OF WHOLE
	PRINTING		Standing Com. Amendment SF24 HS77
	DELIVERED TO COM. NO. 1		ADOPTED
			RECOMMENDED DO.....PASS
Jan 12	RE REFER TO COM. NO. 7..	FEB 24 1977	READ SECOND TIME
Jan 13	Com. Recommendation		Amended as follows SF24 H 277
	RECOMMEND DO PASS		ADOPTED
Jan 13	CONSIDERED ON COM. OF WHOLE	FEB 25 1977	Read Third Time
	RECOMMENDED DO PASS		59. PASSED
Jan 14	READ SECOND TIME		Sent to Senate
Jan 17	READ THIRD TIME	Feb 25	Senate did consent
	PASSED.		in House Amendment
	NOTED BY HOUSE 0 ENGROSS 0 ASSENT 0		PASSED
	SENT TO HOUSE		NOTED BY HOUSE 0 ENGROSS 10 ASSENT 0
Jan 19 1977	RECEIVED FROM SENATE		Received
	REFERRED TO COM. NO. 7		Delivered to Enrolling Section
	DELIVERED TO COM. NO. 7		2-26 SBA Number Signed by President
FEB 23 1977	RETURNED		Signed by Speaker
	Recommended Amend and Do Pass Aug 28		Approved by Governor
	RECOMMENDED DO.....PASS		Charter No. 128... Southern Iowa of ...
			SD16124

CONTINUED ON BACK

Roll Call of the Senate of the FORTY-FOURTH LEGISLATURE of Wyoming

	Excused	Absent	Ayes	Noes
31 ARNEY			✓	
30 BOYLE			✓	
29 CHRISTENSEN			✓	
28 CUNDALL			✓	
27 DAILY			✓	
26 FRISBY			✓	
25 GEIS			✓	
24 HITCHCOCK			✓	
23 JOHNSON			✓	
22 KIMBALL			✓	
21 MADSEN			✓	
20 MAJHANOVICH			✓	
19 McDANIEL			✓	
18 MOORE			✓	
17 MURRAY			✓	
16 NICHOLS			✓	
15 NORRIS			✓	
14 NORTHRUP				
13 NOVOTNY			✓	
12 OSTLUND			✓	
11 PECK			✓	
10 PROFFIT			✓	
9 RECTOR			✓	
8 SADLER			✓	
7 SEDAR			✓	
6 STAFFORD			✓	
5 TAGGART			✓	
4 TRUE			✓	
3 TURNER			✓	
2 ZIMMER			✓	
1 MR. PRESIDENT			✓	

PRESENT

AYES

30

NOES

0

EXCUSED

0

ABSENT

0

TOTAL

30

SF 24Third ReadingDate 2-25-77

Roll Call of the House

of the FORTY-FOURTH LEGISLATURE

of Wyoming

	Ayes	Noes	Excused	Absent		Ayes	Noes	Excused	Absent
63 BAUMAN	✓				28 McMILLAN	✓			
62 BRYANT	✓				27 MEENAN	✓			
61 BUCK	✓				26 MEIER	✓			
60 BURNETT	✓				25 MICHELI	✓			
59 BUSSART	✓				24 MORTON	✓			
58 CHAMBERLAIN	✓				23 O'NEIL	✓			
57 CLAPP	✓				22 ORRISON	✓			
56 COPENHAVER	✓				21 OSLUND	✓			
55 CRANFILL	✓	✓			20 PARKS	✓			
54 CREWS	✓				19 PERRY	✓			
53 CROSS	✓				18 PHELAN	✓			
52 CROWLEY	✓				17 PROSSER	✓			
51 CURRY	✓				16 ROTH	✓			
50 DONLEY	✓				15 SALISBURY	✓			
49 DOWNING	✓				14 SANDERS	✓			
48 EDWARDS	✓				13 SCOTT	✓	✓		
47 ENGEN	✓				12 SIDI	✓		✓	
46 ESKENS	✓				11 SIMPSON	✓			
45 FLEISCHLI	✓				10 SMITH	✓			
44 A. LEFTY GRAHAM	✓				9 STAUFFER	✓			
43 J. L. GRAHAM	✓				8 STEWART	✓			
42 GROPP	✓				7 STICKLEY	✓			
41 GUFFEY	✓				6 TARTER	✓			
40 HANSEN	✓				5 TRUJILLO	✓			
39 HEMMERT	✓				4 URBIGKIT	✓			
38 HOLLAND	✓				3 VINICH	✓			
37 HUNTER	✓				2 WILKINS	✓			
36 HURSH	✓				1 MR. SPEAKER	✓			
35 JENNINGS	✓								
34 JENSEN	✓								
33 JONES	✓								
32 KINNAMAN	✓								
31 LARSON	✓								
30 McCARTHY	✓								
29 McILVAIN	✓								

PRESENT _____

AYES

59

NOES

2

EXCUSED

1

ABSENT

TOTAL

62

LESS

3

1977

STATE OF WYOMING

77LSO-220.01

SENATE FILE NO. 24

State bank loans on real estate.

Sponsored by: Senator JOHNSON



A BILL

for

1 AN ACT to amend W.S. 13-21 relating to bank loans on real
2 estate; providing that banks may purchase partial obli-
3 gations secured by first liens on real estate; and provid-
4 ing for an effective date.

5 Be It Enacted by the Legislature of the State of Wyoming:

6 Section 1. W.S. 13-21 is amended to read:

7 13-21. Loans on real estate generally; limitations.
8 etc.

9 (a) Any state bank may make real estate loans
10 secured by first liens upon improved real estate, includ-
11 ing improved farmland and improved business and residen-
12 tial properties. A loan secured by real estate within the
13 meaning of this section shall be in the form of an obli-
14 gation or obligations secured by mortgage, trust deed, or
15 other such instrument upon real estate, and Any state bank
16 may MAKE A REAL ESTATE LOAN, OR purchase any obligation so

1 ~~secured when the entire amount of such obligation is sold~~
2 ~~to such bank~~ IN WHOLE OR IN PART AT ANY TIME PRIOR TO THE
3 MATURITY OF THE OBLIGATION IF THE PARTICIPATION INTEREST
4 OF THE BANK IS ADEQUATELY PROTECTED BY THE TERMS OF THE
5 PARTICIPATION AGREEMENT. The amount of any such loan
6 ~~hereafter made~~ shall not exceed 50 FIFTY percent (50%) of
7 the appraised value of the real estate offered as security
8 and no such loan shall be made for a longer term than five
9 (5) years; ~~† except; that (1) any such~~

10 (1) A loan may be made in an amount not to
11 exceed 75 SEVENTY-FIVE percent (75%) of the appraised
12 value of the real estate offered as security and for a
13 term not longer than ten (10) years if the loan is secured
14 by an amortized mortgage, deed of trust, or other such
15 instrument under the terms of which the installment pay-
16 ments are sufficient to amortize 40 FORTY percent (40%) or
17 more of the principal of the loan within a period of not
18 more than ten (10) years; ~~† and (2) any such loan may be~~
19 ~~made in an amount not to exceed seventy-five (75) percent~~
20 ~~of the appraised value of the real estate offered as~~
21 ~~security and for a term not longer than twenty (20) years~~
22 ~~if the loan is secured by an amortized mortgage, deed of~~
23 ~~trust, or other such instrument under the terms of which~~
24 ~~the installment payments are sufficient to amortize the~~

1 ~~entire principal of the loan within the period ending on~~
2 ~~the date of its maturity, and (3) any such loans~~ OR

3 (ii) A LOAN may also be made in an amount not
4 to exceed ninety ~~(90)~~ percent (90%) of the appraised value
5 of the real estate offered as security for a term not
6 longer than thirty (30) years if the loan is secured by an
7 amortized mortgage, deed of trust, or other such instru-
8 ment under the terms of which the installment payments are
9 sufficient to amortize the entire principal of the loan
10 within the period ending on the DATE OF ITS maturity; ~~and~~
11 and ~~(4) the foregoing~~

12 (iii) THESE limitations and restrictions shall
13 not prevent the renewal or extension of loans heretofore
14 made or apply to mortgages or other liens on real estate
15 taken to secure a debt previously contracted in good
16 faith, and shall not apply to real estate loans to the
17 extent that ~~such~~ THESE loans are insured or guaranteed
18 under the provisions of Title II of the National Housing
19 Act or by the administrator of veterans affairs under
20 Title III of the Servicemen's Readjustment Act of 1944 or
21 amendments thereto, or by any other duly authorized
22 authority of the United States of America and any loans so
23 insured or guaranteed, in whole or in part, may be made
24 for the same period of time for which such guarantee may

1 be made.

2 **(b)** No ~~such-state~~ bank shall make ~~such~~ REAL
3 ESTATE loans in an aggregate sum in excess of the amount
4 of the capital stock of ~~such-state~~ THE bank paid in and
5 unimpaired plus the amount of its unimpaired surplus fund,
6 or in excess of ~~60~~ SIXTY percent (60%) of the amount of
7 its deposits, whichever is the greater, ~~+-provided+-fur-~~
8 ~~ther+-that~~ All ~~of-such~~ real estate loans, to the extent
9 that they are not insured under or guaranteed by federal
10 authority as provided by ~~(4)-above~~ PARAGRAPH (a)(iii) OF
11 THIS SECTION, shall not exceed in the aggregate ~~20~~ TWENTY
12 percent (20%) of the paid in capital, surplus and depos-
13 its, or seventy percent (70%) of the time and savings
14 deposits, whichever is greater.

15 **(b)** **(c)** Loans made to finance the construction of
16 residential or farm buildings and having maturities of not
17 to exceed twenty-four (24) months, whether or not secured
18 by a mortgage or similar lien on the real estate upon
19 which the residential or farm building is being con-
20 structed, shall not be considered as loans secured by real
21 estate within the meaning of this section but shall be
22 classed as ordinary commercial loans, ~~+-provided-that~~ The
23 period may be extended upon written application to the
24 state examiner for a period up to thirty-six (36) months.

1 ~~t-provided-that~~ No state bank shall invest in, or be
2 liable on, such loans in an aggregate amount in excess of
3 50 FIFTY percent (50%) of its actually paid in and unim-
4 paired capital and surplus.

5 Section 2. This act is effective May 27, 1977.

6 (END)

FISCAL NOTE

Fiscal Note No. 114
 Requester Senator Johnson

L.S.O.	Draft
220	L1
Bill No.	Jt. Res. No.

Part I. Fiscal Data:

SHORT TITLE OF BILL: <u>State bank loans on real estate</u>	STATUTORY REFERENCE Nos. <u>W.S. 13-21</u>	NAME OF FUND <u>None</u>
AGENCY TITLE: SOURCE OF APPROPRIATION/REVENUE <u>None</u>		New Program () Change in Existing Program (X) Local Government Impact ()

If more than one appropriation is involved, show overall effect below, but show breakdown by appropriation and fiscal year on a separate page. Round to nearest hundred dollars.

EFFECT OF PROPOSAL	FISCAL PERIODS		
	BIENNIAL INCREASE OR (-) DECREASE		
	First Biennial	Second Biennial	Third Biennial
Salaries & Number of Personnel	\$		
Supporting Expenses			
Permanent Property			
Aids to Localities			
Other			
ESTIMATED TOTAL COST	\$		
GENERAL FUND			
FEDERAL FUND			
OTHER			
ESTIMATED TOTAL REVENUE	\$		

Part II. Explain in a clear and concise manner what effect this measure will have on the costs and revenues of state government. Specify the source of funds for appropriations. Include effect on the current biennium and also the long-range fiscal effect, if any. Show how you arrived at the estimate. Use attached sheet and any additional sheets which you may need.

NO FISCAL IMPACT.

Date <u>12/11/26</u>	Agency <u>J. H. Johnson</u>	Authorized Representative
Date	Legislative Auditor Clearance	

SF24

SF 24

SF24H21/A

In the standing committee amendment (SF24HSL/A)

✓✓ Reference page 4-lines 15 thru page 5 - at line 8 in the amendment delete "were" insert "where".

✓✓ Reference Page 5 following line 4 - at line 50 in the amendment delete "were" insert "where".
--PARKS

[Handwritten signature]

[Handwritten signature]
2-7-77

Page 2-lines 18 through Page 3, line 2 - restore stricken language.

Page 4-lines 15 through Page 5, line 4 - strike entire subsection and insert the following:

"(c) LOANS MADE TO FINANCE THE CONSTRUCTION OF INDUSTRIAL OR COMMERCIAL BUILDINGS AND HAVING MATURITIES OF NOT TO EXCEED SIXTY (60) MONTHS ~~WERE~~ THERE IS A VALID AND BINDING AGREEMENT ENTERED INTO BY A FINANCIALLY RESPONSIBLE LENDER TO ADVANCE THE FULL AMOUNT OF THE BANK'S LOANS UPON COMPLETION OF THE BUILDINGS, AND LOANS MADE TO FINANCE THE CONSTRUCTION OF RESIDENTIAL OR FARM BUILDINGS AND HAVING MATURITIES NOT TO EXCEED SIXTY (60) MONTHS, SHALL NOT BE CONSIDERED AS LOANS SECURED BY REAL ESTATE WITHIN THE MEANING OF THIS SECTION BUT SHALL BE CLASSED AS ORDINARY COMMERCIAL LOANS WHETHER OR NOT SECURED BY A MORTGAGE OR SIMILAR LIEN ON THE REAL ESTATE UPON WHICH THE BUILDING OR BUILDINGS ARE BEING CONSTRUCTED; PROVIDED, THAT NO STATE BANK SHALL INVEST IN, OR BE LIABLE ON ANY SUCH LOANS IN AN AGGREGATE AMOUNT IN EXCESS OF ONE HUNDRED PERCENT (100%) OF ITS ACTUAL PAID-IN AND UNIMPAIRED CAPITAL PLUS ONE HUNDRED PERCENT (100%) OF ITS UNIMPAIRED SURPLUS FUND."

Page 5-following line 4--Insert the following: "Section 2. If original House Bill No. 71 of the 1977 regular session is enacted into law, section 1 of this act is repealed and W.S. 13-3-401 (a) and (e) are amended to read:

"13-3-401. Loans on real estate generally; limitations, etc.

(a) Any bank may make real estate loans upon improved real estate secured by a mortgage, deed of trust or other instrument of similar security which comprises a first lien upon the secured property. A bank may MAKE A REAL ESTATE LOAN OR purchase these obligations ~~only if the entire obligation is sold to the bank~~ IN WHOLE OR IN PART AT ANY TIME PRIOR TO THE MATURITY OF THE OBLIGATION IF THE PARTICIPATION INTEREST OF THE BANK IS ADEQUATELY PROTECTED BY THE TERMS OF THE PARTICIPATION AGREEMENT.

~~(e) Loans made to finance the construction of residential or farm buildings and having maturities of not to exceed twenty-four (24) months whether or not secured by a lien on real estate are not real estate loans within the meaning of this section but are ordinary commercial loans. The period may be extended upon written application to the state examiner for a period up to thirty-six (36) months. A bank shall not make loans under this subsection in excess of fifty percent (50%) of its actual paid-in and unimpaired capital and surplus."~~ LOANS MADE TO FINANCE THE CONSTRUCTION OF INDUSTRIAL OR COMMERCIAL BUILDINGS AND HAVING MATURITIES OF NOT TO EXCEED SIXTY (60) MONTHS ~~WERE~~ THERE IS A VALID AND BINDING AGREEMENT ENTERED INTO BY A FINANCIALLY RESPONSIBLE LENDER TO ADVANCE THE FULL AMOUNT OF THE BANK'S LOANS UPON COMPLETION OF THE BUILDINGS, AND LOANS MADE TO FINANCE THE

CONSTRUCTION OF RESIDENTIAL OR FARM BUILDINGS AND HAVING MATURITIES NOT TO EXCEED SIXTY (60) MONTHS, SHALL NOT BE CONSIDERED AS LOANS SECURED BY REAL ESTATE WITHIN THE MEANING OF THIS SECTION BUT SHALL BE CLASSED AS ORDINARY COMMERCIAL LOANS WHETHER OR NOT SECURED BY A MORTGAGE OR SIMILAR LIEN ON THE REAL ESTATE UPON WHICH THE BUILDING OR BUILDINGS ARE BEING CONSTRUCTED; PROVIDED, THAT NO STATE BANK SHALL INVEST IN, OR BE LIABLE ON ANY SUCH LOANS IN AN AGGREGATE AMOUNT IN EXCESS OF ONE HUNDRED PERCENT (100%) OF ITS ACTUAL PAID-IN AND UNIMPAIRED CAPITAL PLUS ONE HUNDRED PERCENT (100%) OF ITS UNIMPAIRED SURPLUS FUND."

Page 5-line 5 Delete "2" insert "3"; delete "May 27" and insert "July 1". -MEENAN

SF24