NORTH CAROLINA GENERAL ASSEMBLY
1979 SESSION

CHAPTER 1147
SENATE BILL 994

AN ACT TO AMEND G.S. 54-18.3 TO AUTHORIZE SAVINGS AND LOAN ASSOCIATIONS TO PERMIT THE USE OF NEGOTIABLE ORDERS OF WITHDRAWAL; AND TO PERMIT STATE CHARTERED SAVINGS AND LOAN ASSOCIATIONS TO MAKE THE SAME INVESTMENTS AND EXERCISE THE SAME POWERS AS FEDERALLY CHARTERED ASSOCIATIONS, AS RECOMMENDED BY THE SAVINGS AND LOAN STUDY COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 54-18.3, as the same appears in the 1975 Replacement Volume 2B of the General Statutes of North Carolina, is amended by (1), designating the existing language as subsection (a); (2), by deleting the 5th sentence thereof which begins with the words "Savings accounts shall not be subject to check or to withdrawal or transfer on negotiable or transferable order"; and (3), by substituting for the deleted sentence the following:

"The Administrator of the Savings and Loan Division may by regulation provide for withdrawal or transfer of savings accounts upon nontransferable order or authorization."

Sec. 2. G.S. 54-18.3, is further amended by adding a new subsection (b) to read as follows:

"(b) Notwithstanding any other provisions of law, the Administrator of the Savings and Loan Division shall, by regulation, authorize savings and loan associations to accept deposits to savings accounts which may be withdrawn or transferred on or by negotiable or transferable order or authorization to the association."

Sec. 3. G.S. 54-33.3 is amended by adding new subdivisions (6), (7), and(8) as follows:

"(6) subject to such regulations as the Administrator of the Savings and Loan Division may prescribe, a State chartered savings and loan association is authorized to issue credit cards, extend credit in connection therewith, and otherwise engage in or participate in credit card operations;

(7) subject to such regulations as the Administrator of the Savings and Loan Division may prescribe, a State chartered savings and loan association may act as a trustee, executor, administrator, guardian or in any other fiduciary capacity permitted for federal savings and loan associations by the Congress of the United States, Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation;

(8) (a) In accordance with rules and regulations issued by the Administrator of the Savings and Loan Division, mutual capital certificates may be issued by State chartered savings and loan associations and sold directly to subscribers or through underwriters, and such certificates shall constitute part of the general reserve and net worth of the issuing association. The Administrator, in the rules and regulations relating to the issuance and sale of mutual capital certificates, shall provide that such certificates:

(i) shall be subordinate to all savings accounts, savings certificates, and debt obligations;

(ii) shall constitute a claim in liquidation on the general reserves, surplus and undivided profits of the association remaining after the payment in full of all savings accounts, savings certificates, and debt obligations;

(iii) shall be entitled to the payment of dividends; and

(iv) may have a fixed or variable dividend rate.

(b) The Administrator shall provide in the rules and regulations for charging losses to the mutual capital certificate, reserves, and other net worth accounts."

Sec. 4. G.S. 54-21.2(b) is repealed and a new G.S. 54-21.2(b) is substituted for it to read as follows:

"(b) Subject to such rules as the Administrator of the Savings and Loan Division may prescribe, any such association is authorized and permitted to make any loan or investment permitted to be made by any federal savings and loan association by the Congress of the United States, Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation. All investments made by State chartered savings and loan associations after 1958 and prior to the date of ratification hereof shall for all purposes be considered to have been permitted investments if such investments were permitted to be made by federal savings and loan associations at the time they were made by a State chartered savings and loan association."

Sec. 5. A new section is added to Chapter 54 of the General Statutes to be numbered G.S. 54-21.5 and to read as follows:

"**§ 54-21.5. Parity of interest rates. —** Notwithstanding any other provision of law, any savings and loan association in North Carolina may contract for interest on any loan, purchase money loan, advance, commitment for a loan or forbearance at any rate permitted by federal law to a savings and loan association the accounts of which are insured by the Federal Savings and Loan Insurance Corporation."

Sec. 6. Sections 1 and 2 of this act shall become effective December 31, 1980, and the remaining sections are effective upon ratification.

In the General Assembly read three times and ratified, this the 20th day of June, 1980.