

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 219

Short Title: Savings Institution Changes/AB.

(Public)

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Sponsors: Representatives Church, Ramsey (Primary Sponsors); and Buchanan.

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Referred to: Financial Institutions.

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March 3, 1999

A BILL TO BE ENTITLED

1 AN ACT TO AMEND CHAPTERS 54B AND 54C OF THE GENERAL STATUTES  
2 TO MAKE TECHNICAL CHANGES TO THE LAW GOVERNING STATE-  
3 CHARTERED SAVINGS AND LOAN ASSOCIATIONS AND SAVINGS BANKS  
4 AND TO INCREASE THE PERMITTED PERCENTAGE OF COMMERCIAL  
5 LOANS.  
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 54B-152(a) reads as rewritten:

9 "(a) Real property is deemed ~~encumbered~~unencumbered within the meaning of this  
10 Chapter unless the security instrument thereon establishes a first lien upon such real  
11 property or interest therein."

12 Section 2. G.S. 54C-18 is repealed.

13 Section 3. G.S. 54C-143 reads as rewritten:

14 **"§ 54C-143. Commercial lending.**

15 ~~Subject to any rules that the Administrator deems appropriate, a savings bank may~~  
16 ~~lend and invest no more than fifteen percent (15%) of its total assets in commercial loans.~~  
17 ~~A commercial loan is for business, commercial, corporate, and agricultural purposes.~~

18 A savings bank may lend and invest in commercial loans in an aggregate amount that  
19 either (i) does not exceed fifteen percent (15%) of its total assets; or (ii) equals a  
20 percentage of its total assets greater than fifteen percent (15%), if approved by the

1 Administrator upon written request of the savings bank. In considering a request for an  
2 increased limit, the Administrator shall take into consideration the commercial lending  
3 expertise of the management and the overall risk profile of the savings bank making the  
4 request. For the purposes of this section, 'commercial loan' means a loan for business,  
5 commercial, corporate, or agricultural purposes."

6 Section 4. This act is effective when it becomes law.