

LEGISLATIVE BILL 164

Approved by the Governor April 21, 1973

Introduced by Carpenter, 48

AN ACT to amend sections 8-105, 8-110, 8-115.01, 8-116, 8-118, 8-119, 8-121, 8-124, 8-126, 8-148, 8-149, 8-158, 8-169, 8-1,123, 8-601, 8-710, 8-816, 8-820, and 8-822, Reissue Revised Statutes of Nebraska, 1943, and sections 8-131, 8-141, 8-152, and 8-602, Revised Statutes Supplement, 1972, relating to banking; to revise, clarify, and modernize provisions; and to repeal the original sections, and also section 8-1,114, Reissue Revised Statutes of Nebraska, 1943.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 8-105, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-105. (1) The director may employ such deputies, examiners, and other assistants as he may need to discharge in a proper manner the duties imposed upon him by law. Neither the director, nor any deputy or assistant, shall employ any relative, or any relative of any deputy or assistant in the work of the department. The deputies, examiners, and other assistants shall perform such duties as shall be assigned to them. The director shall, with the approval of the Governor, fix the compensation of the deputies, examiners, and other assistants, which shall be paid either monthly or on a biweekly basis.

(2) ~~The deputies, examiners, and other assistants, before assuming the duties of office, shall take and subscribe to the constitutional oath of office and file the same in the office of the Secretary of State. Each deputy shall execute a bond to the State of Nebraska as provided in section 44-149. Each examiner and assistant shall also execute to the State of Nebraska a bond in the penal sum of such amount as may be directed by the Governor. All such bonds shall have corporate surety, shall be approved by the Governor, and shall be conditioned for the faithful performance of the duties of the office. The bonds shall be filed in the office of the Secretary of State and the premiums on the bonds shall be paid by the State of Nebraska.~~

Sec. 2. That section 8-110, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-110. The department shall require every executive officer, and all employees whom it considers necessary so to do, of each state bank to execute to such bank and to the State of Nebraska, jointly, a surety bond in an amount to be fixed by the department, which bond shall be conditioned to protect and indemnify the bank from ~~any and all pecuniary~~ loss which the bank may sustain, of money or other personal property, including that for which the bank is responsible, through or by reason of the fraud, dishonesty, forgery, theft, embezzlement, wrongful abstraction, misapplication or misappropriation, or any other dishonest or criminal act of or by any of such executive officers or employees. Such bond may contain a deductible clause in an amount equaling the following: Banks having capital stock of twenty-five thousand dollars to fifty thousand dollars may maintain a deductible amount of one thousand dollars; banks whose capital stock is fifty thousand dollars to one hundred thousand dollars may maintain a deductible amount of five thousand dollars; and for each additional one hundred thousand dollars in capital stock an additional five thousand dollars in the deductible amount may be maintained. The bond shall be filed with and approved by the director and shall remain a part of the records of the department. The bond shall always be open to public inspection during the office hours of the department.

Sec. 3. That section 8-115.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-115.01. When an application required by the provisions of section 8-120 is made by a corporation for a new bank charter or for transfer of a bank charter to any location other than within the corporate limits of the city or village of its original charter, notice of the filing of the application shall be published by the Department of Banking three weeks in a legal newspaper published in or of general circulation in the county where the applicant proposes to operate the bank or where the transfer is contemplated. The expense of the publication shall be paid by the applicant. A public hearing shall be held on each application. The date for hearing the application shall not be more than ninety days after filing the application and not less than thirty days after the last publication of notice. A move of any state bank's main office within the city or village of its original charter shall not be considered a

transfer of charter within the meaning of this section, but an application for such a move must be made to the Department of Banking and be approved by the director. Upon receiving such application, the director shall give notice of such intended move by certified mail to all banks, and such other interested parties as the director shall determine, located within the corporate limits of such city or village. Should the director receive any objection to such move within ten days of mailing such notice, he shall publish a notice and hold a hearing as provided in this section for the transfer of a bank outside the corporate limits of the city or village of its original charter.

Sec. 4. That section 8-116, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-116. A charter for a bank hereafter organized shall not be issued unless the corporation applying therefor shall have a surplus of not less than twenty-five fifty thousand dollars or fifty per cent of its paid-up capital stock, whichever is greater, and a paid-up capital stock as follows: In villages of less than one thousand inhabitants, fifty one hundred thousand dollars; in cities and villages of one thousand or more and less than twenty-five thousand inhabitants, not less than seventy-five one hundred fifty thousand dollars; in cities of twenty-five thousand or more and less than one hundred thousand inhabitants, not less than one two hundred thousand dollars; and in cities of one hundred thousand or more inhabitants, not less than two five hundred thousand dollars. Such corporation shall also have minimum paid-in undivided profits of not less than five twenty per cent of its paid-up capital stock; Provided, the department shall have the authority to determine the minimum amount of paid-up capital stock, surplus and paid-in undivided profits required for any corporation applying for a bank charter which amounts shall not be less than the foregoing. For purposes of this section, population shall be determined by the most recent federal decennial census.

Sec. 5. That section 8-710, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-710 8-116.01. With the approval of the Director of Banking, any banking institution may at any time, through action of its board of directors and without requiring any action of its stockholders, issue and sell its capital notes or debentures. Such capital notes or debentures shall be subordinate and subject to

the claims of depositors and may be subordinated and subjected to the claims of other creditors. The capital stock of any bank or trust company as such term capital stock is used respectively in sections 8-116, 8-118, 8-127 and 8-205, the capital of any corporation transacting a banking business as the term capital is used in section 8-187, the capital of a bank as the term capital is used in section 8-132, and the capital stock of any trust company as the term capital stock is used in sections 8-218 to 8-221, shall be deemed to be unimpaired when the amount of such capital notes and debentures as represented by cash or sound assets exceeds the impairment as found by the Department of Banking. Before any such capital notes or debentures are retired or paid by the banking institution any existing deficiency of its capital, disregarding the notes or debentures to be retired, must be paid in, in cash, to the end that the sound capital assets shall at least equal the capital or capital stock of the respective institutions named above in the sense such terms capital and capital stock are used in the respective sections named. Such capital notes or debentures shall in no case be subject to any assessment. The holders of such capital notes or debentures shall not be held individually responsible as such holders for any debts, contracts or engagements of such institution, and shall not be held liable for assessments to restore impairments in the capital of such institution.

Sec. 6. That section 8-118, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-118. It shall be unlawful for any person for hire (1) to promote or attempt to promote the organization of a corporation to conduct the business of a bank in this state or (2) ~~to solicit subscriptions--for or offer to sell the capital stock of such a corporation~~ prior to the issuance of a charter to such corporation authorizing its operation as a bank. Any person violating the provisions of this section shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not exceeding one thousand dollars or be imprisoned in the county jail for a period not exceeding six months.

Sec. 7. That section 8-119, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-119. No corporation organized for the purpose of conducting a bank under the laws of this state shall be granted the certificate provided in section 8-121, or the charter provided in section 8-122, until there shall

have been filed with the department a statement, under oath, of the president or cashier of such corporation that no premium, bonus, commission, compensation, reward, salary, or other form of remuneration has been paid, or promised to be paid, to any person for selling the stock of such corporation, ~~or for inducing in any manner any subscription for such stock.~~ The president or cashier of any such corporation who shall be found guilty of filing a false statement under the provisions of this section shall be fined in any sum not exceeding five thousand dollars or be imprisoned in the county jail not exceeding one year. Whenever, after such certificate and charter shall have been delivered, the department shall determine, after a public hearing that such statement is false, it shall cancel such certificate and charter, and a receiver shall be appointed for such corporation in the manner provided for in case of a corporation which is conducting a bank in an unsafe or unauthorized manner.

Sec. 8. That section 8-121, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-121. If the department, upon examination of the application required by section 8-120, is satisfied that such corporation has complied with the requirements of sections 8-101 to 8-1,122, and if charter approval is intended, it shall issue to such corporation a certificate stating that such corporation has complied with the laws of this state, advising of any requirements which must be met.

Sec. 9. That section 8-124, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-124. The affairs and business of any bank chartered after the effective date of this act, or which has had transfer of twenty-five per cent or more of voting shares after the effective date of this act, shall be managed or controlled by a board of directors of not less than three five and not more than fifteen members, who shall be selected from the stockholders at such time and in such manner as may be provided by the articles of incorporation of the corporation and in conformity with the provisions of sections 8-101 to 8-1,122. Any bank chartered before the effective date of this act may have a minimum of three directors and not more than fifteen directors so long as it does not have transfer of twenty-five per cent or more voting shares, with such directors selected as provided in this section. Any vacancy on the board shall be filled within ninety days by appointment by the remaining directors, and any

director so appointed shall serve until the next election of directors, except that if the vacancy created leaves a minimum of five directors, appointment shall be optional. The board shall select from among its number the president and secretary, and shall select a cashier. Such officers shall hold their office at the pleasure of the board of directors. The board of directors shall hold at least one regular meeting in each calendar quarter, and at two of such meetings in each year a thorough examination of the books, records, funds, and securities held by the bank shall be made and recorded in detail upon its record book. In lieu of the two annual examinations required, the board of directors may accept one annual audit by ~~a certified public accountant or a public accountant registered pursuant to the laws of Nebraska~~ an accountant or accounting firm approved by the Director of Banking.

Sec. 10. 8-124.01. At any time a vacancy on the board of directors of a bank shall occur, the bank shall, within ten days, notify the Department of Banking of such vacancy. Vacancies shall be filled within ninety days by appointment by the remaining directors, except that if the vacancy created leaves a minimum of five directors appointment shall be optional. At such time as the vacancy has been filled, the bank shall notify the Department of Banking that the vacancy has been filled and include in such notice the name, address, and occupation of the director so appointed.

Sec. 11. That section 8-126, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-126. A majority of the members of the board of directors of any bank transacting business under the provisions of sections 8-101 to 8-1,122 shall be residents of the county wherein such bank is located or of the counties immediately adjacent thereto and of this state. Every director of ~~a bank having a capital of twenty-five thousand dollars or less~~ must be the owner of at least ~~five hundred dollars~~ one share of the paid-up capital stock in his own name and right, ~~and every director of a bank with a capital stock of more than twenty-five thousand dollars shall own and hold in his own name and right not less than one thousand dollars of paid-up capital stock.~~ Directors of banks shall be persons of good moral character, known integrity, business experience, and responsibility. No person shall act as such member of the board of directors of any bank until such bank shall apply for and obtain approval from the Department of Banking, but no approval shall be required for any director acting as such on the effective

date of this act.

Sec. 12. That section 8-131, Revised Statutes Supplement, 1972, be amended to read as follows:

8-131. Banks, in cities having a population of twenty-five thousand or more, shall maintain a reserve, in available funds, which need not exceed twenty per cent of their demand deposits and five per cent of their savings and time deposits as the director shall by regulation provide. Outside of such cities, banks shall maintain a reserve in available funds which need not exceed fifteen per cent of their demand deposits and five per cent of their savings and time deposits as the director shall by regulation provide. One half of the reserves required pursuant to this section may be carried in either unpledged United States government securities at their market value or notes or other securities evidencing obligations of the Commodity Credit Corporation at their face value, or combination thereof. When a bank is deficient in its reserve requirement as provided by regulation, the Director of Banking shall assess the offending bank a penalty at the rate of eight per cent per annum plus five dollars per day for the length of time the bank is deficient. The Director of Banking may waive the five dollars per day penalty. Such penalties may be collected in the manner prescribed for the collection of fees for the examination of banks.

Sec. 13. That section 8-141, Revised Statutes Supplement, 1972, be amended to read as follows:

8-141. No bank shall directly or indirectly loan to any single corporation, firm, or individual, including in such loans all loans made to the several members or shareholders of such firm or corporation, for the use and benefit of such corporation, firm, or individual, more than twenty-five per cent of the paid-up capital, and surplus, and capital notes and debentures of such bank. Such limitation of twenty-five per cent shall be subject to the following exceptions:

(1) Obligations of any person, copartnership, association, or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than one hundred fifteen per cent of the face amount of the notes covered by such documents, shall be subject under this section to a limitation of ten per cent of such capital, and surplus, and capital notes and debentures, in addition to such twenty-five per cent of

such capital and surplus;

(2) Obligations of any person, copartnership, association, or corporation secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States, shall be subject under this section to a limitation of ten per cent of such capital, and surplus, and capital notes and debentures, in addition to such twenty-five per cent of such capital and surplus; or

(3) Obligations of any person, copartnership, association, or corporation which are secured by negotiable warehouse receipts in an amount not less than one hundred fifteen per cent of the face amount of the note or notes secured by such documents, shall be subject under this section to a limitation of ten per cent of such capital, and surplus, and capital notes and debentures, in addition to such twenty-five per cent of such capital and surplus.

For purposes of this section the discounting of bills of exchange, drawn in good faith against actually existing values, and the discounting of commercial paper actually owned by the persons negotiating the same, shall not be considered as the lending of money. Loans or obligations shall not be subject to any limitation under this section, based upon such capital stock and surplus, to the extent that they are secured or covered by guaranties, or by commitments or agreements to take over or to purchase the same, made by any federal reserve bank or by the United States government or any authorized agency thereof, including any corporation wholly owned directly or indirectly by the United States or general obligations of any state of the United States or any political subdivision thereof. The phrase general obligation of any state or any political subdivision thereof shall mean an obligation supported by the full faith and credit of an obligor possessing general powers of taxation, include property taxation, but shall not include municipal revenue bonds and sanitary and improvement district warrants which shall be subject to the limitations set forth in this section. Obligations representing loans to any national banking association or to any banking institution organized under the laws of any state, when such loans are approved by the Director of Banking by regulation or otherwise, shall not be subject under this section to any limitation based upon such capital and surplus. For the purpose of determining lending limits, copartnerships shall not be treated as

separate entities. Each individual shall be charged with his personal debt plus the debt of every copartnership in which he is a partner.

Sec. 14. That section 8-148, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-148. No bank shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, nor purchase any securities convertible into stock, or, except as provided in section 8-149, the shares of any corporation, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith. Such stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale; or in default thereof, a receiver may be appointed to close up the business of the bank. In no case shall the amount of stock so held at any one time exceed ten per cent of the paid-up capital of such bank.

Sec. 15. That section 8-149, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-149. No bank shall, without the written approval of the director, (1) invest in bank premises, or in the stock, bonds, debentures, or other such obligations of any corporation holding the premises of such bank, or (2) make loans to or upon the security of the stock of any such corporation, if the aggregate of all such investments and loans will exceed the paid-up capital stock and capital notes and debentures of such bank. Stock held as authorized by this section shall not be subject to the provisions of section 8-148.

Sec. 16. That section 8-152, Revised Statutes Supplement, 1972, be amended to read as follows:

8-152. A bank may make loans secured by real estate or may participate with other institutions in such loans whether such participation occurs at the inception of the loan or at any time thereafter subject to the following:

(1) Such loans, when secured by a first mortgage on improved real estate which is a first lien and under the terms of which installment payments required are sufficient to amortize the entire principal of the loan within the period thereof, may be made in an amount not to exceed eighty per cent of the appraised value of the

real estate offered as security and for a term not to exceed twenty-five years;

(2) Such loans, when secured by a first mortgage on improved real estate which is a first lien and under the terms of which installment payments required are sufficient to amortize forty per cent of the principal of the loan within a period of ten years from the date of the loan may be made in an amount not to exceed eighty per cent of the appraised value of the real estate offered as security and for a term not to exceed ten years;

(3) Such loans, when secured by a mortgage on improved real estate which is not a first mortgage but under the terms of which installment payments required are sufficient to amortize the entire principal of the loan within the period thereof, may be made when the aggregate of the lien being taken by the bank and the record amount of all liens prior thereto does not exceed eighty per cent of the appraised value of the real estate offered as security and for a term not to exceed ten years;

(4) Such loans, when secured by a first mortgage on real estate which is a first lien, may be made for not to exceed seventy-five per cent of the appraised value of the real estate offered as security and for a term not to exceed five years, whether or not provision is made for amortization of such loan;

(5) Such loans, when secured by a first mortgage on improved real estate consisting of residential real property of single family or two family residences, may be made for not to exceed ninety-five per cent of the appraised value of the real property offered as security and for a term not longer than thirty years; Provided, that the loan is secured by an amortized mortgage, deed of trust or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity; and provided further, that at least twenty-five per cent of the loan is insured by a financially responsible private mortgage insurance company authorized to do business in this state;

(6) Such loans may be made to finance the construction of manufacturing, commercial, or industrial structures for a period not to exceed thirty-six months or for the construction of residential or farm buildings for a term not to exceed eighteen months when there is a valid and binding agreement entered into by a financially responsible lender to advance the full amount of such

loan upon the completion of construction, or when the bank at the time of making the construction loan has entered into a commitment to make a loan under the provisions of subdivision (1), (2), (3), (4), or (5) of this section upon the completion of construction; and

(7) The provisions of sections 8-711 to 8-713 are met; and

(8) Obligations shall not be subject under this section to any limitation to the extent that such obligations are secured or covered by guaranties or by commitments or agreements to take over or to purchase as follows:

(a) Real estate loans guaranteed twenty per cent or more or for which a written commitment for such guarantee has been issued by the Veteran's Administration;

(b) Real estate loans insured, or for which a written commitment to insure has been issued, by the Farmers Home Administration;

(c) Real estate loans in which the Small Business Administration participates or has agreed in writing to participate on an immediate or deferred basis; or

(d) Loans in which a bank takes a real estate mortgage or other similar instrument as additional security but with repayment dependent upon other sources than the real estate security as follows: (i) The unconditional commitment of a financially responsible person to repay the loan or provide funds for the repayment of such loan within a period not to exceed three years from the date of the loan, or (ii) collateral other than the real property.

The aggregate limitation of all loans made under the provisions of subdivisions (1), (2), (3), (4), and (5) of this section shall be the greater of one hundred per cent of paid-in capital, surplus, and undivided profits, or seventy per cent of the total of savings and time deposits, or twenty per cent of the total deposits of such bank.

Sec. 17. That section 8-158, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-158. Any bank, chartered to conduct a banking business in this state and so authorized by its corporate articles, shall have power to act, either by itself or

jointly with any natural person or persons, as administrator executor of the estate of any deceased person whose ~~domicile was within the county in which the corporation is located or whose domicile was outside the State of Nebraska~~; or as executor administrator of the estate of any person under the appointment of a court of record having jurisdiction of the estate of such deceased person.

Sec. 18. That section 8-169, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-169. Any bank that shall fail, neglect, or refuse to make or furnish any report or any published statement required by the provisions of sections 8-101 to 8-47 ~~122 81-1, 129~~, shall be ~~subject to a fine or penalty of fifty dollars per day for each day after the time named for such report or statement to be made that it delays to make and transmit such report or statement to the department. Such fine or penalty shall be recovered by the department in a civil action in any court of competent jurisdiction~~ pay to the department fifty dollars for each day such failure shall continue, unless the department shall extend the time for filing such report.

Sec. 19. That section 8-1,123, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-1,123. No institution under the supervision of the Department of Banking and which accepts savings deposits shall, for the opening or increasing of any account, give for any one such opening or any one such increase any giveaway that has a monetary value in excess of ~~two dollars and fifty cents~~ that designated by the Director of Banking. The monetary value of any giveaway so given shall be the cost thereof to the institution and the institution shall keep in its records for a period of at least two years suitable evidence of such cost. If the giveaway is purchased or obtained by the institution together with, in connection with, or at the same time as another item or other items from the same supplier, not identical therewith, such value shall be deemed to be the then current regular selling price or charge of the supplier on separate sales or dispositions thereof in the quantity included, and the institution shall in such case obtain, and keep in its records for a period of at least two years, a signed statement by such supplier of such regular selling price or charge. As used in the foregoing provisions of this section, the term give means to give, to sell or dispose of for less than full

monetary value as hereinbefore defined, or with any agreement or undertaking, contingent or otherwise, for repurchase or redemption, whether total or partial, or to offer, promise, or agree to do any of the foregoing; the term giveaway means any money, property, service, or other thing of value, whether tangible or intangible. †
~~and-the-term-account-means-account-of-any-type:~~

Sec. 20. That section 8-601, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-601. (1) To pay the salary and necessary expense of examiners and examiners' helpers, and such sum, if any, as may be required, in excess of the sum appropriated for the Department of Banking, for the payment of the salaries of the Director of Banking, his deputies, attorneys, and assistants, there shall be levied upon the banks, organized under the laws of this state, and trust companies, building and loan associations, industrial loan and investment companies, and cooperative credit associations, organized under the laws of this state, or authorized to do business in this state, an assessment each year in such sum as shall be determined by the director and approved by the Governor as set forth in subsection (1) of this section and subject to the additional assessments and adjustments referred to in subsection (3) of this section.

(2) The assessment, referred to in subsection (1) of this section and the additional assessments provided for by subsection (3) of this section, shall be paid by the said banks, trust companies, building and loan associations, industrial loan and investment companies, and cooperative credit associations on the order of the director to the State Treasurer who shall place the same in a separate fund to be used solely for the purposes hereinafter specified. The amount of the assessment shall be the sum estimated by the director as necessary for the fiscal year to pay the following items: (a) Salaries of examiners and examiners' helpers; (b) the necessary expenses incurred by examiners and examiners' helpers in the discharge of their duties incident to the examination of the institutions herein enumerated; and (c) such sum, if any, as may be required, in excess of the sum appropriated for the department, for the payment of the salary and expenses of the director, his deputies, attorneys, and assistants; Provided, that there shall be included in the assessment to be paid by banks organized under the laws of this state, the salaries and expenses of examiners and examiners' helpers attending a school for examiners. As soon as reasonably possible after June thirtieth of each year, the director shall estimate the

total sum required for the above purposes. The director shall also estimate the total number of days to be used by examiners and examiners' helpers in the examination and supervision of the institutions herein enumerated during the fiscal year, taking into account the experience of the preceding year. The total estimated fund shall be divided by the total number of days estimated, as above specified, and the quotient shall be the unit of assessment against the individual institutions, which unit is hereinafter referred to as the per diem unit. The assessment upon each institution shall be for the number of such per diem units as the director, taking into account the experience of the previous year, shall deem requisite to examine the respective institutions during the fiscal year for which the estimate is made, and in case of institutions organized under the laws of the states other than the State of Nebraska, the estimated traveling expense involved in making the examination. If the estimated sum levied and collected is insufficient to defray the expenditures, as herein provided, for the fiscal year for which it was made, a special assessment may be levied and collected in like manner for the balance of the fiscal year.

(3) At the end of the fiscal year for which the assessment is made, the director shall forward to each of such institutions subject to such an assessment, as provided for by subsections (1) and (2) of this section, a statement for as many per diem units as the days actually used in the examination of the institution exceeds that which was estimated, under the provisions of subsection (2) of this section, which shall be paid on the demand of the director in the same manner as the original assessment. If the number of days actually used is less than that estimated for any such institution, the difference shall stand to the credit of such institution for a subsequent year's assessment. In case an extra examination of any institution should become necessary and be made, the reasonable cost thereof shall be determined ~~immediately--following--such--examination~~ and shall be paid by the institution so examined.

Sec. 21. That section 8-602, Revised Statutes Supplement, 1972, be amended to read as follows:

8-602. The Director of Banking shall charge and collect fees for certain services rendered by the Department of Banking according to the following schedule:

(1) For filing and examining articles of incorporation, association, or and by-laws, excepting

cooperative credit associations and credit unions, twenty dollars, and for cooperative credit associations and credit unions, five dollars;

(2) For filing and examining an amendment to articles of incorporation, association, or and by-laws, excepting cooperative credit associations and credit unions, ten dollars, for cooperative credit associations, three dollars, and for credit unions, two dollars;

(3) For issuing to banks, trust companies, building and loan associations, and industrial loan and investment companies a charter, authority, or license to do business in this state, a sum which shall be determined on the basis of one dollar and fifty cents for each one thousand dollars of authorized capital; Provided, that the minimum fee in each case shall be fifty dollars; and provided further, that all foreign building and loan associations shall pay annually a fee of one hundred dollars;

(4) For issuing to cooperative credit associations a charter, authority, or license to do business in this state, twenty-five dollars;

(5) For issuing a-banker's an executive officer's or loan officer's license, seven-dollars-and-fifty--cents ten dollars at the time of the initial license and five dollars on or before January 15 in each year thereafter, except cooperative credit associations and credit unions for which the fee shall be five dollars at the time of the initial license and five dollars thereafter on or before January 15 each year;

(6) For affixing certificate and seal, two dollars;

(7) For making a copy of instruments, documents, or any other departmental records, each one hundred words, thirty cents excepting when the photostatic copying method is used the charge shall be at the rate of one dollar and fifty cents per page;

(8) For making substitution of securities held by it and issuing a receipt, five dollars;

(9) For issuing a certificate of approval to a credit union, ten dollars;

(10) For investigating the statements required by sections 8-120 and 8-201 and the applications required by sections 8-331, 8-403, 21-1312, and 21-1313 the cost of such examination, investigation, and inspection,

including all legal expenses and the cost of any hearing transcript, with a minimum fee under (a) sections section 8-120 and 8-204 of one thousand five hundred dollars, (b) section 8-331 of one thousand dollars, (c) section 8-403 of eight hundred dollars, and (d) sections 8-201, 21-1312, and 21-1313 of two hundred fifty dollars, and (e) under section 8-816 of fifty dollars. The department may require the applicant to procure and give a surety bond in such principal amount as the department may determine, and conditioned for the payment of the fees herein provided; and

(11) To meet the expense of safekeeping securities as provided in section 8-210, the company or national bank, shall, at the time of the initial deposit thereof, pay one dollar and fifty cents for each thousand dollars of securities deposited and a like amount on or before January 15 in each year thereafter;

(12) For investigating an application to move its location within the city or village limits of its original license or charter, for banks, trust companies, building and loan associations, and industrial loan and investment companies, two hundred fifty dollars; and

(13) For investigating an application for approval of a detached auxiliary teller office pursuant to section 8-157, two hundred fifty dollars.

All fees and all money collected by or paid to the department under any of the provisions of Chapter 8 or any other law shall, if and when specifically appropriated by the Legislature during any biennium, constitute a fund in the state treasury for the use of the department during any biennium in administering the provisions of said chapter and any duties imposed upon the department by any other law, and all of such money when appropriated shall be appropriated for the purposes herein expressed.

Sec. 22. That section 8-816, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-816. Any bank which has registered with the department a statement of intention to engage in the business of making personal loans, and paid the fee set forth in subdivision (10) of section 8-602, may exercise, subject to the provisions of sections 8-815 to 8-829, the privileges conferred by section 8-820. Such registration shall be in form prescribed by the department and shall contain an agreement to comply with the provisions and accept the conditions of sections 8-815 to 8-829.

Sec. 23. That section 8-820, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-820. Subject to the provisions of sections 8-815 to 8-829, any registered bank may contract for and receive, on any personal loan, charges at a rate not exceeding eighteen per cent simple interest per year on the first one thousand dollars and twelve per cent simple interest per year on the balance over one thousand dollars. Notwithstanding the provisions of this section, a bank may charge a minimum fee of five dollars in lieu of interest on small loans.

Sec. 24. That section 8-822, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-822. ~~Except as provided in this section, charges made under section 8-820 shall not be paid, deducted or received in advance and shall be computed only as a percentage per month of the unpaid principal balances for the number of days actually elapsed. At~~ Charges under section 8-820 shall be computed by application of the rate charged to the outstanding principal balance for the number of days actually elapsed without adding any additional charges, except that at the time the loan is made, charges may be computed as a percentage per month of unpaid principal balances for the number of days elapsed on the assumption that the unpaid principal balance will be reduced, as provided in the loan contract, and such charges may be included in the scheduled installments; provided, that if the loan is repaid in whole or in part unearned charges shall be refunded or credited to the borrower in full, but such refund need not be made until final payment of the loan contract. Such refund shall be in such an amount that the amount of charges actually retained by the bank shall not exceed the equivalent of the monthly percentage agreed for due performance computed on actual unpaid principal balances for the number of days actually elapsed, except that the Such refund shall be at least as great a proportion of the total charges as the sum of the remaining monthly balances of the principal and interest combined scheduled to follow the date of prepayment bears to the sum of all the monthly balances of principal and interest combined originally scheduled by the contract. For the purpose of computing the refund, any prepayment in full made on or before the fifteenth day following an installment date shall be deemed to have been made on the installment date immediately preceding the date of prepayment in full, and any prepayment in full made after such fifteenth day shall be deemed to have been made on

the installment date immediately following the date of prepayment in full. No refund shall be required for any partial prepayment. No refund of less than one dollar need be made. The charges retained by the bank may be increased to the extent that delinquency charges are computed on earned charges in accordance with the next succeeding sentence. Delinquency charges on any scheduled installment or portion thereof, if contracted for, may be taken ~~at the monthly percentage agreed for due performance for the number of days delinquent and may be computed on the full amount of the delinquency including earned charges not in excess of five per cent on each installment or five dollars, whichever is less, or in lieu thereof interest after maturity on each such installment not exceeding the highest permissible interest rate.~~ For the purpose of sections 8-815 to 8-829, payment seven fifteen days or less prior to date of maturity shall not be deemed prepayment, and payment seven fifteen days or less after maturity shall not subject the borrower to additional interest.

Sec. 25. That original sections 8-105, 8-110, 8-115.01, 8-116, 8-118, 8-119, 8-121, 8-124, 8-126, 8-148, 8-149, 8-158, 8-169, 8-1,123, 8-601, 8-710, 8-816, 8-820, and 8-822, Reissue Revised Statutes of Nebraska, 1943, and sections 8-131, 8-141, 8-152, and 8-602, Revised Statutes Supplement, 1972, and also section 8-1,114, Reissue Revised Statutes of Nebraska, 1943, are repealed.