


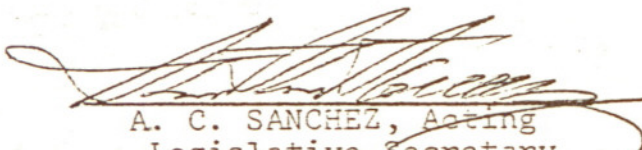
ELEVENTH GUAM LEGISLATURE
1972 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR


This is to certify that Bill No. 970, "An Act to amend Section 41451 of the Government Code of Guam to authorize territorial savings and loan associations to invest in the stock of subsidiary service corporations, and to add a new Section 41202 to said Code to limit ownership of guarantee stock of savings and loan associations to United States citizens", was on the 22nd day of November, 1972, duly and regularly passed.


F. T. RAMIREZ
Speaker


ATTESTED:


A. C. SANCHEZ, Acting
Legislative Secretary

This Act was received by the Governor this 1st day
of December, 1972 at 4:45 o'clock p. M.


VINCENT T. PEREZ
Attorney General of Guam

APPROVED:


CARLOS G. CAMACHO
Governor of Guam

DATED: DEC 12 1972
2:30 p.m.

Public Law
11-200

ELEVENTH GUAM LEGISLATURE
1972 (SECOND) Regular Session

Bill No. 970

Introduced by

P. D. Perez
V. D. Ada
C. C. Barrett
P. M. Calvo
T. R. Santos
T. S. Tanaka

AN ACT TO AMEND SECTION 41451 OF THE
GOVERNMENT CODE OF GUAM TO AUTHORIZE
TERRITORIAL SAVINGS AND LOAN ASSOCIATIONS
TO INVEST IN THE STOCK OF SUBSIDIARY
SERVICE CORPORATIONS, AND TO ADD A NEW
SECTION 41202 TO SAID CODE TO LIMIT
OWNERSHIP OF GUARANTEE STOCK OF SAVINGS
AND LOAN ASSOCIATIONS TO UNITED STATES
CITIZENS.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. Section 41451 of the Government Code of Guam
3 is hereby amended to read as follows:

4 "Section 41451. Investments generally. An association
5 may invest in, buy and sell the following:

6 (1) Real property used or to be used primarily as
7 the principal office or branch of such association; pro-
8 vided, that no association shall invest in such real
9 property more than one-half (1/2) of the sum of its aggre-
10 gate paid-up nonwithdrawable capital, federal insurance
11 reserve, loan reserve, and any surplus and reserve which
12 is not subject to distribution to the shareholders or
13 stockholders except upon dissolution or liquidation;

14 (2) Furniture, fixtures, furnishings, equipment and
15 leasehold improvements necessary or proper for the business
16 of such association, or for use in connection with pro-
17 perties owned by, or securing loans of such association;
18 provided that no association shall invest in furniture,
19 fixtures, furnishings, equipment and leasehold
20 improvements for its offices, more than twenty percent
21 (20%) (or, if it has no real property used or to
22 be used primarily as its principal office

1 or branch, thirty percent (30%)) of the sum of its
2 aggregate paid-up nonwithdrawable capital, federal
3 insurance reserve, loan reserve, and any surplus and
4 reserve, loan reserve, and any surplus and reserve
5 which is not subject to distribution to the shareholders
6 or stockholders except upon dissolution or liquidation;

7 (3) United States government bonds and treasury
8 certificates; or any bonds, debentures, notes or other
9 obligations guaranteed by the United States of America;

10 (4) Bonds, debentures and notes issued by any
11 federal home loan bank, or other similar federal agency,
12 or consolidated federal home loan bank bonds, debentures
13 or notes;

14 (5) Bonds of this territory;

15 (6) Bonds, other securities and bankers'
16 acceptances which are legal as investments for or purchases
17 by savings banks in this territory;

18 (7) Bonds issued by any railroad corporation or
19 any public utility corporation, excluding street railway
20 corporations, substantially all of the properties of
21 which are located in the United States of America;
22 provided, the purchase of all bonds pursuant to the sole
23 authority of this subdivision (7) shall be first approved
24 by the Commissioner;

25 (8) Stock issued by any federal home loan bank or
26 other similar federal agency of which such association may
27 be eligible to be a member;

28 (9) Bonds, notes, debentures or other obligations
29 of national mortgage associations or other similar credit
30 institutions now or hereafter organized under Title III
31 of the National Housing Act; provided, the purchase of
32 all bonds, notes, debentures or other obligations pursuant

1 to the sole authority of this subdivision (9) shall be
2 first approved by the Commissioner; or

3 (10) Subject to the requirements and limitations set
4 forth in the regulations of the Federal Home Loan Bank
5 governing investment in service corporations, stock,
6 obligations, or other securities of any corporations
7 organized under the laws of Guam, if the entire capital
8 stock of such corporation is available for purchase only
9 by domestic associations.

10 Provided, that, except with the prior consent of
11 the Commissioner, no association at any one time shall
12 have invested pursuant to subdivisions (6), (7) and (9)
13 of this section an aggregate amount in excess of ten per-
14 cent (10%) of the total assets of such association.

15 Provided, further, that the percentage limitations
16 specified in subdivisions (1) and (2) of the section may
17 be exceeded if the investment in excess of such limitations
18 is approved by two-thirds (2/3) of the directors, and is
19 approved in writing by the Commissioner.

20 Associations may make deposits with any bank and
21 such deposits shall not be construed as loans within the
22 meaning of this Act."

23 Section 2. Section 41202 is hereby added to the Government
24 Code of Guam to read:

25 "Section 41202. Ownership of guarantee stock.
26 Guarantee stock of any association may be legally and
27 beneficially owned only by United States citizens."