



THIRD JEAN LEGISLATURE
1956 (SIXTH) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR


This is to certify that Bill No. 250, "An Act to amend Section 41407 of the Government Code of Guam, relating to loans by Savings and Loan Associations specifically forbidden", on the 10th day of July, 1956, was duly and regularly passed.


F. B. LEON GUERRERO
Speaker

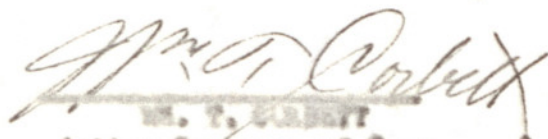
ATTESTED:


A. S. N. EURNAS
Legislative Secretary

This Act was received by the Governor the 13th day
of July, 1956 at 3:14 o'clock P. M.


M. F. L. GUERRERO
Acting Secretary of Guam

APPROVED:


W. T. GILCHRIST
Acting Governor of Guam

Dated: JUL 24 1956

10:02 A.M.

Public Law 97--Third Guam Legislature
1956 (SECOND) Regular Session
G. L. 250
AN ACT

An Act to amend Section 41467 of the Government Code of Guam, relating to loans by Savings and Loan Associations specifically forbidden.

Be it enacted by the People of the Territory of Guam:

Section 1. Section 41467 of the Government Code of Guam is hereby amended to read as follows:

"Section 41467. Loans, Specifically Forbidden and Penalties. No loans shall be made, for himself or as agent or as partner of another, directly or indirectly, to any director or officer of any association by such association, except on the security of a first lien on the home or combination of home and business property owned and occupied by such director or officer and except that loans may be made to any corporation in which any director or officer of such association may be a minority stockholder, on authorization of or confirmation within 30 days after making such loan by a majority of all the directors of such association and the affirmative vote of all the disinterested directors of such association present at the meeting authorizing or confirming such loan; provided, however, that such loan shall in all other respects conform to and comply with the other provisions of this Act. Such interested director or officer shall not vote or participate in any manner in the action of the board upon such loan. Such authorization or confirmation

shall be entered upon the records of minutes of such association. The fact of making such loan, the names of the directors authorizing or confirming such loan, the corporate name of the borrower, the name of each director or officer of such association who is a stockholder, officer or director of the corporation to which such loan is made, the amount of stock held by him in such borrowing corporation, the amount of such loan, the rate of interest thereon, the time when such loan will become due, the amount, character and value of the security given therefor and the fact of final payment, when made, shall be forthwith reported in writing by the association to the commissioner; provided, that any loan made to any corporation of which any director or officer of such association owns not more than 5 per cent of the paid-in capital of such borrowing corporation and any loan, made to any corporation of which any two or more directors or officers of such association own not more than 20 per cent of the paid-in capital of such borrowing corporation, need not be reported to the commissioner. No loan may be made to any corporation a majority of the stock of which is owned or controlled by any one or more of the directors or officers, or officers and directors, of such association collectively, except with the previous consent of the commissioner. No officer, director or employee of an association shall receive from such association, and it shall be unlawful for such association to pay to any officer, director, or employee of such association, any commission, emolument, gratuity or reward based on the volume or number of loans made, or based on the interest or fees collected thereon; provided, however, that nothing in this section shall be construed to prohibit or limit the receipt or payment of

salaries of officers, directors and employees, of commissions to agents whether or not based on the volume or number of loans or on the interest or fees collected thereon, or of bonuses to officers and employees or any of them if such bonuses are not based on the volume or number of loans made or on the interest or fees collected thereon; provided, that the legislative intent is not to interfere with any presently existing contract; provided, that if such bonuses are based on the profits of the association for any period, payment thereof shall not be made earlier than 10 days before the expiration of such period and shall be based on the profits of such period or on an estimate thereof made in good faith. Any officer or director of any association who knowingly violates any of the previous provisions of this section shall be guilty of a felony. Any officer, director or employee of any association who asks or receives or consents or agrees to receive any commission, emolument, gratuity or reward or any money, property or anything of value for his own personal benefit or of personal advantage for procuring or endeavoring to procure for any person, firm or corporation any loan from such association shall be guilty of a felony. It shall be unlawful for any association to loan any of its funds upon any of its stock as security. It shall be unlawful for any association to make any loan to, or purchase any loan or investment from, the commissioner or any deputy, attorney, examiner, accountant or appraiser appointed or employed by him. Any officer or director of an association who shall make any such loan for and on behalf of any association shall be personally liable to such association for the full amount thereof and shall also be guilty of a felony. It shall be unlawful for any association to

make or purchase any loan or investment not authorized or permitted by this Act; and any officer or director who on behalf of any such association shall knowingly make or purchase any loan or investment not authorized by this Act or who shall knowingly consent thereto shall be personally liable to such association for the full amount of any such loan or investment and he shall also be guilty of a public offense and shall be punished by imprisonment not exceeding one year or by a fine not exceeding one thousand dollars (\$1,000), or by both such fine and imprisonment."

Section 2. This Act is an urgency measure.

Approved July 24, 1956.