

Chapter S-L 8

OTHER REQUIREMENTS

S-L 8.01 Liquidity reserve require- S-L 8.02 Requirements for organi-
 ment; definitions zation of a new savings
 and loan association

S-L 8.03 Minimum share capital requirement

S-L 8.01 Liquidity reserve requirement. (1) DEFINITIONS?

(a) "Loan", as used herein, shall be deemed to have been made as of the date of the note or bond evidencing same, and a loan shall be deemed to have been purchased as of the date of payment thereof.

(b) "Cash", as used herein, shall mean cash on hand and on deposit in depository banks.

(c) "Obligations of the United States", as used herein, shall mean all unpledged evidences of indebtedness issued by the United States and all unpledged evidences of indebtedness issued by any agency or instrumentality of the United States which are by statute fully guaranteed as to principal and interest by the United States.

(2) All state-chartered savings and loan associations shall at all times maintain a total of cash and obligations of the United States of not less than 6% of their repurchasable shares.

(3) Whenever the total of cash and obligations of the United States is less than 6% of the repurchasable shares, state-chartered savings and loan associations shall not make or purchase any loan, other than share loans made on the sole security of repurchasable shares.

S-L 8.02 Requirements for the organization of a new savings and loan association. (1) DEFINITION OF AREA. The area, in which the new savings and loan association will operate, is determined to be within a 25-mile radius of its proposed office.

(2) MINIMUM CAPITAL AND MEMBERSHIP.

Area Population	Minimum Paid in Capital	Minimum Number of Members
Up to 50,000	\$100,000	150
50,000 to 100,000	150,000	200
Over 100,000	250,000	300

(3) GUARANTEEING OF OPERATING EXPENSES. The organizers and/or the first board of directors of the proposed savings and loan association shall guarantee the payment of all expenses for a period of 3 years, and such persons shall enter into an agreement with the savings and loan department that any money they have invested in the association, as a part of the minimum share capital requirement, shall not be withdrawn or hypothecated during the first 3 years of business, and that a statement of such restriction be typed upon each such share certificate.