

LEGISLATIVE BILL 165

Approved by the Governor March 15, 1985

Introduced by DeCamp, 40

AN ACT relating to banks and banking; to amend section 8-148, Reissue Revised Statutes of Nebraska, 1943; to change provisions relating to the ownership of certain stocks by banks; to repeal the original section; and to declare an emergency.

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

Section 1. That section 8-148, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-148. Ne (1) Except as provided in subsection (2) of this section, 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.

(2) Any bank may subscribe to invest, purchase, and own Student Loan Marketing Association stock, Government National Mortgage Association stock, or Federal National Mortgage Association stock. Such bank shall not obligate more than five per cent of its capital surplus, undivided profits, and unencumbered reserves for such stock.

Sec. 2. That original section 8-148, Reissue Revised Statutes of Nebraska, 1943, is repealed.

Sec. 3. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.