

FINANCE CODE

TITLE 3. FINANCIAL INSTITUTIONS AND BUSINESSES

SUBTITLE B. SAVINGS AND LOAN ASSOCIATIONS

CHAPTER 61. GENERAL PROVISIONS

Sec. 61.001. SHORT TITLE. This subtitle may be cited as the Texas Savings and Loan Act.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 61.002. DEFINITIONS. In this subtitle:

(1) "Appropriate banking agency":

(A) means:

(i) with respect to a savings bank chartered by this state, the Department of Savings and Mortgage Lending;

(ii) with respect to a federal savings bank, the Office of the Comptroller of the Currency;

(iii) with respect to a savings and loan association chartered by this state, the Department of Savings and Mortgage Lending;

(iv) with respect to a federal savings and loan association, the Office of the Comptroller of the Currency;

(v) with respect to a bank chartered by this state, the Texas Department of Banking;

(vi) with respect to a national bank, the Office of the Comptroller of the Currency; and

(vii) with respect to a bank, savings bank, or savings and loan association chartered by another state, the chartering agency; and

(B) includes:

(i) in each case in which a state bank is a member of the Federal Reserve System, the board of governors of the Federal Reserve System;

(ii) in each case where required by the Federal Deposit Insurance Act (12 U.S.C. Section 1811 et seq.), the Federal Deposit Insurance Corporation; and

(iii) any successor of a state or federal

agency specified by this subdivision.

(1-a) "Association" means a savings and loan association subject to this subtitle.

(2) "Board" means the board of directors of an association.

(3) "Capital stock" means the units into which the proprietary interest in a capital stock association is divided.

(4) "Capital stock association" means an association authorized to issue capital stock.

(5) "Commissioner" means the savings and mortgage lending commissioner.

(6) "Company" means a corporation, partnership, trust, joint-stock company, association, unincorporated organization, or other similar entity or a combination of any of those entities acting together.

(7) "Domestic association" means a savings and loan association organized under the laws of this state.

(8) "Earnings on savings accounts" means interest contractually payable or dividends declared payable to holders of savings accounts in an association.

(9) "Federal association" means a savings and loan association incorporated under the Home Owners' Loan Act (12 U.S.C. Section 1461 et seq.).

(10) "Finance commission" means the Finance Commission of Texas.

(11) "Foreign association" means a savings and loan association:

(A) organized under the laws of:

(i) a state or territory of the United States other than this state; or

(ii) the United States; and

(B) the principal office of which is located outside this state.

(12) "Loss reserves" means the aggregate amount of the reserves allocated by an association solely to absorb losses.

(13) "Member" means, with respect to a mutual association, a person:

(A) holding a savings account with the mutual association;

(B) assuming or obligated on a loan in which the mutual association has an interest; or

(C) owning property that secures a loan in which the mutual association has an interest.

(14) "Mutual association" means an association not authorized to issue capital stock.

(15) "Savings account" means the amount of money an association owes an account holder as the result of the deposit of funds in the association.

(16) "Savings and loan association" means an association the primary purposes of which are to promote thrift and home financing and the principal activity of which is the lending of money secured by liens on homes and other improved real property.

(17) "Savings and loan holding company" means a company that directly or indirectly controls a savings and loan association or controls another company that directly or indirectly controls a savings and loan association.

(18) "Savings liability" means the aggregate amount of money shown by the books of the association to be owed to the association's account holders.

(19) "Shareholder" means the owner of capital stock.

(20) "Surplus" means the aggregate amount of:

(A) the undistributed earnings of an association held as undivided profits or unallocated reserves for general corporate purposes; and

(B) paid-in surplus held by the association.

(21) "Unsafe and unsound practice" means an action or inaction in the operation of an association that is likely to:

(A) cause insolvency or substantial dissipation of assets or earnings; or

(B) reduce the ability of the association to satisfy on time withdrawal requests of savings account holders.

(22) "Withdrawal value of a savings account" means the net amount of money that may be withdrawn by an account holder from a savings account.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 6.101(a), eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 6.026, eff. September 1, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 464 (S.B. 1008), Sec. 2, eff. September 1, 2013.

Sec. 61.003. CONTROL; SUBSIDIARY. (a) For the purposes of this subtitle, a person controls an association if the person has the power to direct or cause the direction of the management and policies of the association directly or indirectly. A person is considered to control an association if the person, individually or acting with others, directly or indirectly holds with the power to vote, owns, or controls, or holds irrevocable proxies representing, at least 25 percent of the voting rights of the association.

(b) For the purposes of this subtitle, a company is a subsidiary of an association if the association or another company directly or indirectly controlled by the association controls the company. An association is considered to control a company if the association, directly or indirectly or acting with one or more other individuals or entities or through one or more subsidiaries:

(1) holds with the power to vote, owns, or controls, or holds proxies representing, more than 25 percent of the voting shares of the company;

(2) controls in any manner the election of a majority of the directors of the company;

(3) is a general partner in the company; or

(4) has contributed more than 25 percent of the equity capital of the company.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 61.004. NOTICE OF HEARING; RIGHT TO RESPOND. (a) Notice of a hearing under this subtitle shall be given to each association and federal association in the county in which the subject matter of the hearing is or will be located, except that

notice of a hearing held under an order under Chapter 66 shall be given to each party affected by the order.

(b) Each interested party is entitled to an opportunity to respond and present evidence and argument on each issue involved in a hearing under this subtitle.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 61.005. RECORD OF PROCEEDING. On written request by an interested party, the commissioner shall keep a formal record of the proceedings of a hearing under this subtitle.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 61.006. DECISION OR ORDER. (a) A decision or order adverse to a party who has appeared and participated in a hearing must be in writing and include separately stated findings of fact and conclusions of law on the issues material to the decision or order. Findings of fact that are stated in statutory language must be accompanied by a concise and explicit statement of the underlying facts supporting the findings.

(b) A decision or order entered after a hearing becomes final and appealable 15 days after the date it is entered unless a party files a motion for rehearing before that date. If the motion for rehearing is overruled, the decision or order becomes final and appealable on the date the order overruling the motion is entered.

(c) Each party to a hearing shall be promptly notified personally or by mail of a decision, order, or other action taken in respect to the subject matter of the hearing.

Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997.

Sec. 61.007. FEES. The finance commission by rule shall:

(1) set the amount of fees the commissioner charges for:

- (A) supervision and examination of associations;
- (B) filing an application or other documents;

and

- (C) other services the commissioner performs;

and

(2) specify the time and manner of payment of the fees.
Acts 1997, 75th Leg., ch. 1008, Sec. 1, eff. Sept. 1, 1997. Amended
by Acts 2001, 77th Leg., ch. 867, Sec. 22, eff. Sept. 1, 2001.