

FINANCE CODE

TITLE 3. FINANCIAL INSTITUTIONS AND BUSINESSES

SUBTITLE B. SAVINGS AND LOAN ASSOCIATIONS

CHAPTER 63. GENERAL POWERS

Sec. 63.001. GENERAL CORPORATE POWERS. (a) An association has all the powers authorized by this subtitle and any other right, privilege, or power incidental to or reasonably necessary to accomplish the purposes of the association.

(b) With the commissioner's prior approval, an association may engage in business as a savings and loan association in any state of the United States to the extent permitted by the laws of that state, either directly or through the ownership of an association incorporated under the laws of another state.

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

Sec. 63.002. ENLARGEMENT OF POWERS. Notwithstanding any other provision of this subtitle, an association may:

(1) perform a function or engage in an activity, including making a loan or investment, to the same extent as a federal association;

(2) raise capital in the same manner and form as a federal association;

(3) issue a certificate in the same form as a federal association; or

(4) pay a dividend, earnings, or interest on a certificate in the same manner as a federal association.

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

Sec. 63.003. POWERS OF FEDERAL ASSOCIATION. A federal association and its members have all the powers, privileges, benefits, immunities, and exemptions provided by the law of this state for an association and the association's members.

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

Sec. 63.004. POWER TO BORROW. (a) An association may:

(1) borrow from any nongovernmental source an

aggregate amount that does not exceed 25 percent of the amount of the association's savings liability on the date of borrowing; and

(2) pledge the association's assets to secure repayment of the borrowed money.

(b) Except as provided by Subsection (c), an association may borrow from a nongovernmental source an amount exceeding the amount described in Subsection (a)(1) only with the prior written approval of the commissioner.

(c) An association that is a member of a Federal Home Loan Bank may borrow or obtain an advance from that bank in an amount and on terms prescribed by that bank.

(d) An association at any time through action of its board may issue a capital note, debenture, or other capital obligation authorized by rules adopted under Section [11.302](#).

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

Sec. 63.005. FISCAL AGENT. (a) An association may act as fiscal agent of the United States. An association designated as fiscal agent of the United States by the secretary of the treasury shall act under regulations as required by the secretary and may act as fiscal agent for an instrumentality of the United States.

(b) An association may act as fiscal agent of this state or of a governmental subdivision or instrumentality of this state.

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

Sec. 63.006. POWER TO ACT UNDER CERTAIN FEDERAL RETIREMENT PLANS. An association or a federal association, to the extent that its charter and applicable federal regulations permit, may:

(1) exercise any power necessary to qualify as a trustee or custodian for:

(A) a retirement plan meeting the requirements of 26 U.S.C. Section 401(d) or 408; or

(B) a similar plan permitted or recognized by federal law; and

(2) invest money the association holds as trustee or custodian under Subdivision (1) in the association's savings accounts if the plan does not prohibit that investment.

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

Sec. 63.007. RIGHT TO ACT TO AVOID LOSS. This subtitle or another statute of this state does not deny an association the right to invest its money, operate a business, manage or deal in property, or take other action during any period that is reasonably necessary to avoid loss on a prior loan or investment or on an obligation created in good faith.

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

Sec. 63.008. CLOSING PLACE OF BUSINESS. An association or a federal savings and loan association operating in this state may close its place of business at any time its board determines.

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

Sec. 63.009. EMERGENCY CLOSING. (a) If the officers of an association determine that an emergency that affects or may affect the association's offices or operations exists or is impending, the officers, as reasonable, may determine:

(1) not to conduct the involved operations or open the offices on any business or banking day; or

(2) if the association is open, to close the offices or the involved operations for the duration of the emergency.

(b) Subject to Subsection (c), a closed office or operation under this section shall remain closed until the officers determine that the emergency has ended and for any additional time reasonably required to reopen.

(c) An association that closes an office or an operation under this section shall notify the commissioner of its action by any means available and as promptly as conditions permit. An office or operation may not be closed for more than 48 consecutive hours, excluding other legal holidays, without the commissioner's approval.

(d) In this section, "emergency" means a condition or occurrence that may interfere physically with the conduct of normal business at the offices of an association or with the conduct of a particular association operation or that poses an imminent or

existing threat to the safety or security of persons, property, or both. The term includes a condition or occurrence arising from:

- (1) fire, flood, earthquake, hurricane, tornado, wind, rain, or snowstorm;
- (2) labor dispute and strike;
- (3) power failure;
- (4) transportation failure;
- (5) interruption of communication facilities;
- (6) shortage of fuel, housing, food, transportation, or labor;
- (7) robbery, burglary, or attempted robbery or burglary;
- (8) actual or threatened enemy attack;
- (9) epidemic or other catastrophe;
- (10) riot or civil commotion; or
- (11) any other actual or threatened unlawful or violent act.

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

Sec. 63.010. EFFECT OF CLOSING. (a) A day on which an association or one or more of its operations is closed under Section [63.009](#) during all or part of its normal business hours is considered to be a legal holiday to the extent the association suspends operations.

(b) An association or a director, officer, or employee of the association does not incur liability or loss of rights from a closing authorized by this subtitle.

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