

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SENATE BILL 1044

AN ACT

AMENDING SECTION 6-401, ARIZONA REVISED STATUTES; RELATING TO SAVINGS AND
LOAN ASSOCIATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-401, Arizona Revised Statutes, is amended to
3 read:

4 6-401. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Account" means withdrawable capital deposited with or invested in
7 an association in accordance with any plan authorized by the provisions of
8 this chapter unless such term is otherwise designated or qualified.

9 2. "Aggregate withdrawal value" means the sum of all payments made on
10 all accounts of the association, all dividends and bonuses credited or
11 allocated to such accounts and all dividends credited to "divided profits"
12 for subsequent crediting to accounts upon maturity, less all withdrawals,
13 retirements and other proper deductions from accounts and all unpaid charges
14 on the accounts.

15 3. "Association" means every association to which this chapter applies
16 as defined in the section concerning scope of chapter.

17 4. "Community" means a city, incorporated town, unincorporated town,
18 community or village.

19 5. "Continuing association" means the association which continues to
20 exist after a merger of associations has been effected.

21 6. "Federal association" means a savings and loan association or
22 savings association operating under the laws and regulations of the United
23 States.

24 7. "Impaired" or "impairment", with respect to capital, means a
25 condition in which the value of the association's assets is less than the
26 aggregate amount of the association's liabilities to creditors, the aggregate
27 value of its accounts and the aggregate par value of its guaranty capital.

28 8. "Improved real estate" means real estate which is, or which from
29 the proceeds of the loan will become, a home, combination of home and
30 business property or other improved real estate.

31 9. "Insurance corporation" means the federal deposit insurance
32 corporation or such other instrumentality of, or corporation chartered by,
33 the United States as may be established for the purpose of insuring the
34 accounts of savings and loan associations.

35 10. "Insured association" means an association, the accounts of which
36 are insured wholly or in part by an insurance corporation.

37 11. "Investment" means to put funds to use in order to secure profits.

38 12. "Mail" or "mailed" means, with respect to a writing or notice,
39 deposit in a United States post-office mailing facility in this state with
40 postage prepaid and correctly addressed to the proper person at his address
41 stated on the association's records or otherwise agreed upon or if no address
42 has been so established then to the last known address.

43 13. "Merger" includes consolidation.

1 14. "Merging association" means an association which plans or effects a
2 merger with one or more other associations in accordance with the provisions
3 of this chapter concerning merger.

4 15. "Other improved real estate" means real estate other than a home or
5 combination home and business property which, because of its state of
6 improvement, or improvement from the proceeds of the loan, will produce
7 sufficient income to maintain the property and retire the loan in accordance
8 with the terms of the loan.

9 16. "Participating interests" means the purchase or acquisition of an
10 interest in an existing permanent mortgage loan.

11 17. "Prior act" means any statute of this state which, prior to ~~the~~
12 ~~effective date of this chapter~~ JUNE 25, 1960, has governed the formation or
13 operation of associations of the type described in the section of this
14 chapter concerning scope of the chapter.

15 18. "Profits" means, as determined by the application of proper
16 accounting principles, gross income less the aggregate of operating and other
17 expenses, losses actually sustained and not charged to reserves under the
18 provisions of this chapter and interest paid or accrued on borrowings and
19 non-recurring charges.

20 19. "Publication", "publish" or "published" means printed in the
21 English language in a newspaper of general circulation published in the
22 community in which the association's business office is located or if no such
23 newspaper exists in said community then in the county in which such business
24 office is located. Unless otherwise specified in this chapter publication
25 shall be made once each week for two successive weeks.

26 20. "Total assets" means the total value of all loan contracts without
27 deduction for the withdrawal value of any accounts of the association held as
28 collateral for loans and the total value of all other assets of the
29 association as determined by the application of proper accounting principles.

30 21. "Withdrawal value" of an account means the sum of all payments made
31 by the holder on the account and all dividends and bonuses credited or
32 allocated to such account less all withdrawals, retirements and other proper
33 deductions from the account and all unpaid charges on the account.