# Chapter 713

## 1975 REPLACEMENT PART

# Foreign and Extranational Institutions


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## CROSS REFERENCES

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**713.010 Application of Bank Act to foreign and extranational institutions; when deposit insurance required.** (1) Except as provided in subsection (2) of this section, every foreign institution and extranational institution doing business in this state is subject to all the provisions of the Bank Act.

(2) The Bank Act does not apply to any foreign or extranational copartnership, firm, joint stock company, association or corporation engaged in the business of loaning money on mortgage security which does not accept deposits or receive from citizens or residents of this state property or money in trust on deposit or for investment.

[Amended by 1965 c 170 s 2, 1967 c 333 s 1, 1973 c 797 s 307, 1975 c 725 s 8]

**713.012 Limitation on authority to act as fiduciary.** A foreign institution or extranational institution shall not hold real or personal property in trust in this state or act in a fiduciary capacity except, a corporation qualified to act as a trust company in the state of its domicile and a national bank which has been granted permission by the appropriate authorities of the United States to act in a fiduciary capacity may act as trustee for an issue of bonds, debentures or notes issued under the terms of a mortgage or deed of trust recorded in this state. It may act jointly with a trust company or as sole trustee under a mortgage or deed of trust recorded in this state after it has qualified and been admitted, under certificate issued by the superintendent, to transact business in this state. The prohibition contained in the first sentence of this section does not apply to any foreign institution or extranational institution having a branch office in this state and lawfully doing a trust business on December 31, 1964.

[1973 c 797 s 308, 1975 c 725 s 9]

**713.016 When deposit insurance required; acceptance of deposits.** (1) A foreign institution shall not accept deposits in this state unless the deposits are insured by the Federal Deposit Insurance Corporation. This subsection does not apply to any foreign institution having a branch office in this state and lawfully doing a banking business on December 31, 1966, or to extranational institutions.

(2) Unless it complies with the requirements of ORS 713.025, an extranational institution shall not accept deposits in this state. This subsection and ORS 713.025 do not apply to any extranational institution having a branch office in this state and lawfully doing a banking business on December 31, 1966.

[1973 c 797 s 309, 1975 c 725 s 10]

**713.020 Application of general foreign corporation laws.** (1) Every foreign institution and extranational institution, doing business in this state, other than the loaning of money on mortgage security, shall, in addition to the requirements of the Bank Act, comply with ORS 57.655 to 57.745, except that all declarations, powers of attorney, articles of incorporation, annual reports and all other papers required in ORS 57.655 to 57 745 to be filed with the Corporation Commissioner shall be filed with the superintendent and all filing fees, annual license fees and moneys payable to the Corporation Commissioner shall be paid by the foreign institution or extranational institution to the superintendent.

(2) The superintendent shall issue to a foreign institution or extranational institution the certificate of authority to transact business in this state, provided for in ORS 57.675 to 57.685.

[Amended by 1965 c 170 s 3, 1973 c 797 s 310, 1975 c 725 s 11]

**713.025 Assets requirement for extranational institutions.** (1) Every extranational institution with one or more offices in this state shall maintain in this state assets equal to the amount of deposit liabilities of the extranational institution payable at or through its offices in this state.

(2) As used in this section

(a) "Assets" include currency, bonds, notes, debentures, drafts, bills of exchange or other evidences of indebtedness owed by persons in the United States and collectible in the United States in currency of the United States or, with prior approval of the superintendent, in currency freely convertible into currency of the United States, but do not include prepaid expenses, customers' liability on acceptances and amounts due from other offices, agencies or branches of and wholly owned subsidiaries of the parent institution. For purposes of this section, assets may also include any assets held in a manner approved by the superintendent.

(b) "Deposit liabilities" include the total amount of deposits in offices of the extranational institution in this state but do not include accrued expenses, amounts due to other offices, agencies or branches of and wholly owned subsidiaries of the parent

extranational institution, acceptances outstanding and borrowings

(3) The superintendent shall determine the value of the assets maintained for the purposes of this section and shall value marketable securities according to accepted principles of accounting
[1975 c 725 s 3]

**713.030**[Repealed by 1973 c 797 s 428]

**713.035 Failure to maintain required assets; notice to superintendent; effect of deficiency.** If at the close of any banking day an extranational institution does not have in this state the assets required to be maintained under ORS 713.025, the managing officer in charge of the extranational institution shall immediately notify the superintendent and the main office of the parent institution of the deficit. The extranational institution shall have three banking days to eliminate the deficiency If the deficiency is not eliminated within the three-day period, the institution is prohibited from making loans, issuing letters of credit or accepting drafts or bills of exchange and the superintendent may revoke its certificate of authority.
[1975 c 725 s 4]

**713.040**[Repealed by 1973 c 797 s 428]

**713.045 Distribution of assets of extranational institution by superintendent after insolvency or liquidation.** (1) If an extranational institution whose deposit liabilities are not insured to any extent by the Federal Deposit Insurance Corporation, becomes insolvent or goes into voluntary or involuntary liquidation or cannot otherwise pay its deposit liabilities, the assets required to be maintained under ORS 713.025 shall become the property of the superintendent, free of any liens and other claims and shall be held by him in trust and applied in the order of priority established in ORS 711.520.

(2) The amount available for distribution to the depositors under subsection (1) of this section shall be allocated to the depositors by dividing the total amount of cash to be distributed by the total number of depositors. The amount so determined shall be the basic distribution allocable to each depositor, however, any one depositor shall not receive an amount in excess of his account balances or $20,000 whichever is the lesser.

(3) If any cash remains after the basic distribution, the superintendent shall on a similar basis continue to compute the amount to be paid to those depositors for whom the first basic distribution would not permit payment in full.

(4) As used in this section, the term "depositor" has the meaning ascribed to it in ORS 711.515.
[1975 c 725 s 5]

**Note:** 713 045 was not added to or made a part of ORS chapter 713 or any series therein by legislative action

**713.050 Filing evidence of responsibility of parent organization.** Foreign institutions shall file with the superintendent evidence, as he requires, showing that the entire capital and surplus of the parent foreign institution or parent corporation is liable for all obligations of the branch of the foreign institution.
[Amended by 1973 c 797 s 313]

**713.060 Acceptance of drafts and bills of exchange.** A foreign institution or extranational institution may accept drafts or bills of exchange or issue letters of credit in this state based upon its entire paid-up capital and surplus. Drafts or bills of exchange shall not be accepted or letters of credit issued to any one person in excess of 10 percent of capital and surplus.
[Amended by 1973 c 797 s 314, 1974 s s c.15 s 1, 1975 c 725 s 12]

**713.070 Certificate authorizing mortgage loans; license fee.** A foreign institution or extranational institution may obtain from the superintendent a certificate authorizing the foreign institution or extranational institution to make mortgage loans within the State of Oregon upon filing with the superintendent an application for the certificate with a certified copy of its articles of incorporation, and upon payment to the superintendent of an annual license fee of $200
[Amended by 1973 c 797 s 315, 1975 c 725 s 13]

**713.080 Certain companies desiring to make mortgage loans must file resolution as to business to be transacted.** If any foreign or extranational copartnership, firm, joint stock company, association or corporation whose name contains the word "trust" or whose articles of incorporation empower it to do a trust business, desires to engage in the business of loaning money on mortgages in this state, it shall file with the superintendent, in addition to its articles of incorporation or association, a resolution of its governing board, attested by its president and secretary, stating that it will not

(1) Receive deposits in the State of Oregon;

(2) Accept from citizens or residents of the State of Oregon property or money in trust or for investment; or

(3) Act in any capacity except as authorized by ORS 713.010, 713.012, 713.016 and 713.020.

[Amended by 1973 c 797 s 316, 1975 c 725 s 14]

**713.090 Reports to superintendent.** Every foreign institution and extranational institution shall file reports under oath with the superintendent in the form and giving the information he may require.

[Amended by 1973 c 797 s 317, 1975 c 725 s 15]

**713.100 Discontinuance of operations in state.** Before any foreign institution or extranational institution discontinues its operations in this state it shall file a sworn statement with the superintendent to the effect that there are no obligations outstanding in this state which would require it to qualify under this chapter.

[Amended by 1973 c 797 s 318, 1975 c 725 s 16]

**713.110 Forfeiture for violation of chapter; action to recover.** Any person violating any provision of this chapter shall forfeit to the State Banking Fund $100 for each day during which the offense continues. The penalty shall be assessed and collected in the manner prescribed in subsection (2) of ORS 706 570.

[Amended by 1973 c 797 s 319]

CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173 170, I, Thomas G Clifford, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173 160 and other changes specifically authorized by law

Done at Salem, Oregon,
October 1, 1975

Thomas G Clifford
Legislative Counsel