

HOME OWNERS' LOAN ACT

SEC. 1. SHORT TITLE.

This Act may be cited as the "Home Owners' Loan Act".

[Codified to 12 U.S.C. 1461]

[Source: Section 301 of title III of the Act of August 9, 1989 (Pub. L. No. 101--73; 103 Stat. 277), effective August 9, 1989; section 369(1) of title I of the Act of July 21, 2010 (Pub. L. No. 111--203; 124 Stat. 1557), effective July 21, 2010]

SEC. 2. DEFINITIONS.

For purposes of this act--

- (1) CORPORATION.--The term "Corporation" means the Federal Deposit Insurance Corporation.
- (2) SAVINGS ASSOCIATION.--The term "savings association" means a savings association, as defined in section 3 of the Federal Deposit Insurance Act, the deposits of which are insured by the Corporation.
- (3) FEDERAL SAVINGS ASSOCIATION.--The term "Federal savings association" means a Federal savings association or a Federal savings bank chartered under section 5 of this Act.
- (4) NATIONAL BANK.--The term "national bank" has the same meaning as in [section 3](#) of the Federal Deposit Insurance Act.
- (5) FEDERAL BANKING AGENCIES.--The term "Federal banking agencies" means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.
- (6) STATE.--The term "State" has the same meaning as in section 3 of the Federal Deposit Insurance Act.
- (7) AFFILIATE.--The term "affiliate" means any person that controls, is controlled by, or is under common control with, a savings association, except as provided in section 10.
- (8) BOARD.--The term "Board", other than in the context of the Board of Directors of the Corporation, means the Board of Governors of the Federal Reserve System.
- (9) COMPTROLLER.--The term "Comptroller" means the Comptroller of the Currency.
- (10) APPROPRIATE FEDERAL BANKING AGENCY.--The term "appropriate Federal banking agency" has the same meaning as in section 1813(q) of this title.
- (11) FUNCTIONALLY REGULATED SUBSIDIARY.--The term "functionally regulated subsidiary" has the same meaning as in section 1844(c)(5) of this title.

[Codified to 12 U.S.C. 1462]

[Source: Section 301 of title III of the Act of August 9, 1989 (Pub. L. No. 101--73; 103 Stat. 277), effective August 9, 1989; section 369(2) of title III of the Act of July 21, 2010 (Pub. L. No. 111--203; 124 Stat. 1557), effective July 21, 2010]

SEC. 3. ADMINISTRATIVE PROVISIONS.

(a) POWERS.--In accordance with subtitle A of title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the appropriate Federal banking agency, shall have all powers which--

(1) were vested in the Federal Home Loan Bank Board (in the Board's capacity as such) or the Chairman of such Board on the day before the date of the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [August 9, 1989]; and

(2) were not--

(A) transferred to the Federal Deposit Insurance Corporation, the Federal Housing Finance Board, the Resolution Trust Corporation, or the Federal Home Loan Mortgage Corporation pursuant to any amendment made by such Act; or

(B) established under any provision of law repealed by such Act.

(b) STATE HOMESTEAD PROVISIONS.--No provision of this Act or any other provision of law administered by the appropriate Federal banking agency shall be construed as superseding any homestead provision of any State constitution, including any implementing State statute, in effect on September 29, 1994, or any subsequent amendment to such a State constitutional or statutory provision in effect on September 29, 1994, that exempts the homestead of any person from foreclosure, or forced sale, for the payment of all debts, other than a purchase money obligation relating to the homestead, taxes due on the homestead, or an obligation arising from work and material used in constructing improvements on the homestead.

[Codified to 12 U.S.C. 1462a]

[Source: Section 301 of title III of the Act of August 9, 1989 (Pub. L. No. 101--73; 103 Stat. 278), effective August 9, 1989; as amended by section 102(b)(5) of title I of the Act of September 29, 1994 (Pub. L. No. 103--328; 108 Stat. 2352), effective September 29, 1994; section 331(c) of title III of the Act of September 23, 1994 (Pub. L. No. 103--325; 108 Stat. 2232), effective September 23, 1994; section 712 of title VII of the Act of October 13, 2006 (Pub. L. No. 109--351; 120 Stat. 1994; section 369(3)(B)--(E) of the Act of July 21, 2010 (Pub. L. No. 111--203; 124 Stat. 1558), effective July 21, 2010]

SEC. 4. SUPERVISION OF SAVINGS ASSOCIATIONS.

(a) SAVINGS ASSOCIATIONS.--

(1) EXAMINATION AND SAFE AND SOUND OPERATION.--

(A) FEDERAL SAVINGS ASSOCIATIONS.--The Comptroller shall provide for the examination and safe and sound operation of Federal savings associations.

(B) STATE SAVINGS ASSOCIATIONS.--The Corporation shall provide for the examination and safe and sound operation of State savings associations.

(2) REGULATIONS FOR SAVINGS ASSOCIATIONS.--The Comptroller may prescribe regulations with respect to savings associations, as the Comptroller determines to be appropriate to carry out the purposes of the Act.

(3) SAFE AND SOUND HOUSING CREDIT TO BE ENCOURAGED.--The Comptroller and the Corporation shall exercise all powers granted to the Comptroller and the Corporation under this Act so as to encourage savings associations to provide credit for housing safely and soundly.

(b) ACCOUNTING AND DISCLOSURE.--

(1) IN GENERAL.--The Comptroller shall, by regulation, prescribe uniform accounting and disclosure standards for savings associations, to be used in determining savings associations' compliance with all applicable regulations.

(2) SPECIFIC REQUIREMENTS FOR ACCOUNTING STANDARDS.--Subject to section 5(t), the uniform accounting standards prescribed under paragraph (1) shall--

(A) incorporate generally accepted accounting principles to the same degree that such principles are used to determine compliance with regulations prescribed by the Federal banking agencies; and

(B) allow for no deviation from full compliance with such standards as are in effect after December 31, 1993.

(3) AUTHORITY TO PRESCRIBE MORE STRINGENT ACCOUNTING STANDARDS.--The Comptroller may at any time prescribe accounting standards more stringent than required under paragraph (2) if the Comptroller determines that the more stringent standards are necessary to ensure the safe and sound operation of savings associations.

(c) STRINGENCY OF STANDARDS.--The regulations of the Comptroller and the policies of the Comptroller and the Corporation governing the safe and sound operation of savings associations, including regulations and policies governing asset classification and appraisals, shall be no less stringent than those established by the Comptroller for national banks.

(d) INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF SAVINGS ASSOCIATIONS.--The savings accounts and share accounts of savings associations insured by the Corporation shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer thereof, and for the funds of all corporations organized under the laws of the United States (subject to any regulatory authority otherwise applicable), regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds.

(e) PARTICIPATION BY SAVINGS ASSOCIATIONS IN LOTTERIES AND RELATED ACTIVITIES.—

(1) PARTICIPATION PROHIBITED.--No savings association may--

(A) deal in lottery tickets;

(B) deal in bets used as a means or substitute for participation in a lottery;

(C) announce, advertise, or publicize the existence of any lottery; or

(D) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

(2) USE OF FACILITIES PROHIBITED.--No savings association may permit--

(A) the use of any part of any of its own offices by any person for any purpose forbidden to the institution under paragraph (1); or

(B) direct access by the public from any of its own offices to any premises used by any person for any purpose forbidden to the institution under paragraph (1).

(3) DEFINITIONS.--For purposes of this subsection--

(A) DEAL IN.--The term "deal in" includes making, taking, buying, selling, redeeming, or collecting.

(B) LOTTERY.--The term "lottery" includes any arrangement, other than a savings promotion raffle, under which--

(i) 3 or more persons (hereafter in this subparagraph referred to as the "participants") advance money or credit to another in exchange for the possibility or expectation that 1 or more but not all of the participants (hereafter in this paragraph referred to as the "winners") will receive by reason of those participants' advances more than the amounts those participants have advanced; and

(ii) the identity of the winners is determined by any means which includes--

(I) a random selection;

(II) a game, race, or contest; or

(III) any record or tabulation of the result of 1 or more events in which any participant has no interest except for the bearing that event has on the possibility that the participant may become a winner.

(C) LOTTERY TICKET.--The term "lottery ticket" includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

(D) SAVINGS PROMOTION RAFFLE.--The term savings promotion raffle' means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).

(4) EXCEPTION FOR STATE LOTTERIES.--Paragraphs (1) and (2) shall not apply with respect to any savings association accepting funds from, or performing any lawful services for, any State operating a lottery, or any officer or employee of such a State who is charged with administering the lottery.

(5) REGULATIONS.--The Comptroller shall prescribe such regulations as may be necessary to provide for enforcement of this subsection and to prevent any evasion of any provision of this subsection.

(f) FEDERALLY RELATED MORTGAGE LOAN DISCLOSURES.--A savings association may not make a federally related mortgage loan to an agent, trustee, nominee, or other person acting in a fiduciary capacity without requiring that the identity of the person receiving the beneficial interest of such loan shall at all times be revealed to the savings association. At the request of the appropriate Federal banking agency, the savings association shall report to the appropriate Federal banking agency the identity of such person and the nature and amount of the loan.

(g) PREEMPTION OF STATE USURY LAWS.--(1) Notwithstanding any State law, a savings association may charge interest on any extension of credit at a rate of not more than 1 percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district in which such savings association is located or at the rate allowed by the laws of the State in which such savings association is located, whichever is greater.

(2) If the rate prescribed in paragraph (1) exceeds the rate such savings association would be permitted to charge in the absence of this subsection, the receiving or charging a greater rate of interest than that prescribed by paragraph (1), when knowingly done, shall be deemed a forfeiture of the entire interest which the extension of credit carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than 2 years after the date of such payment, an amount equal to twice the amount of the interest paid from the savings association taking or receiving such interest.

(h) FORM AND MATURITY OF SECURITIES.--No savings association shall--

(1) issue securities which guarantee a definite maturity except with the specific approval of the appropriate Federal banking agency, or

(2) issue any securities the form of which has not been approved by the appropriate Federal banking agency.

[Codified to 12 U.S.C. 1463]

[Source: Section 301 of title III of the Act of August 9, 1989 (Pub. L. No. 101--73; 103 Stat. 280), effective August 9, 1989; section 369(4) of title III of the Act of July 21, 2010 (Pub. L. No. 111--203; 124 Stat. 1558 and 1559), effective July 21, 2010; Section 3(d) of Title I of the Act of December 18, 2014 (Pub. L. No. 113--251; 128 Stat. 2889) effective December 18, 2014]

