thereof, and a copy of its bylaws; and thereafter the corporation shall file with the Commissioner a duly certified copy of every subsequent amendment of its charter and of every subsequent amendment of its bylaws and a failure to file within 30 days after any amendment of its charter or bylaws has been effected, shall render the corporation liable to a penalty of $50 to be sued for by the Commissioner in the name of the State if he considers such failure to have been wilful.

(c) A fee of $5,000 for every certificate shall be required by the Commissioner before issuing the same.

(d) In addition, the applicant shall pay an investigation fee of $1,000 which shall not be refundable and shall be submitted with the application. (62 Del. Laws, c. 247, §§ 1, 2.)

§ 904. Reports to Commissioner; publication.

(a) Every bank and trust company shall make and transmit to the State Bank Commissioner at least 4 reports during each year, according to the form which may be prescribed by him, verified by the oaths or affirmations of the president or vice-president, and cashier, or treasurer or secretary of the corporation, and attested by the signatures of at least 3 directors. Each report shall exhibit under appropriate heads the resources and liabilities of the corporation at the close of business on any day past specified by the Commissioner, and shall be transmitted to the Commissioner within 30 days after the receipt of a request or requisition therefor from him. (61 Del. Laws, c. 82, § 1.)

(b) An abstract or summary of the report in such form as shall be prescribed by the Commissioner shall be published by the corporation at its own expense, within 2 weeks from the date of its transmission to the Commissioner, in 1 issue of a newspaper published in the town or city where the corporation has a place of business in this State, or if there be no newspaper published there, then in one published nearest thereto in the same county. Proof of such publication shall be furnished by the corporation as required by the Commissioner.

(c) The Commissioner shall have power to call for special reports whenever in his judgment the same are necessary. He may require a separate report as to each department conducted by any bank or trust company.

(d) The making of reports to the Commissioner under this section shall be in lieu of the making of reports to any other state official except for the purpose of assessment or taxation. (32 Del. Laws, c. 103, § 7; Code 1935, § 2295; 5 Del. C. 1953, § 904.)
§ 905. Reports by national banks.

National banks doing business in this State shall make and transmit to the State Bank Commissioner reports on forms furnished by the Commissioner when he calls upon such banks for the reports; the object and purpose of such reports being the public good and not the regulation of said banks. (32 Del. Laws, c. 103, § 7; Code 1935, § 2295; 5 Del. C. 1953, § 905.)

§ 906. Failure to make reports; penalty.

Every bank or trust company failing to comply with §§ 904 and 905 of this title shall be subject to a penalty of $25 for each day that it continues in such failure; which penalty shall be sued for by the State Bank Commissioner in the name of the State unless he is satisfied that such failure was not wilful. (32 Del. Laws, c. 103, § 7; Code 1935, § 2295; 5 Del. C. 1953, § 906.)

§ 907. Reserve requirements.

(a) Demand deposits as used in this section shall mean all deposits payable within 30 days; and time deposits shall comprise all deposits payable after 30 days, all savings accounts, certificates of deposit, and postal savings which are subject to not less than 30 days notice before payment.

(b) Every bank, banking association, trust company, savings bank or savings society shall maintain reserves as follows:

(1) Seven percent of the average aggregate of its demand deposits and 3 percent of the average aggregate of its time deposits, except that no reserves need be maintained against deposits of the United States or any agency or instrumentality thereof, or the State or any political subdivision or municipality thereof which are collateralized; and

(2) Such reserves shall consist of cash in the possession of the bank or of net balances payable on demand with banking institutions within or without the State which have been approved in writing as reserve depositories by the State Bank Commissioner or 50% of such required reserves may be maintained in unencumbered obligations of or guaranteed by the United States or any agency or instrumentality thereof including, without limitation, obligations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and public housing authorities, or obligations of the State or its municipalities, subdivisions, agencies or instrumentalities and having a like market value.
(c) Whenever the State Bank Commissioner determines that the maintenance of sound banking practices or the prevention of injurious credit expansion or contraction makes such action advisable, he may, by general regulation, change, from time to time, the requirements as to reserves against demand or time deposits, or both, in banking institutions doing business in this State which are not members of the Federal Reserve System. The reserves so specified shall be not less than the statutory requirement, nor greater than those requirements of the Federal Reserve Bank in this district applicable to member banks in this State. Reserves maintained under federal statute by state chartered nonmember banks shall satisfy the reserve requirements of this section.

(d) No money held in a fiduciary capacity whether as executor, administrator, guardian, trustee or otherwise, which is on deposit with other banking institutions, shall be carried or counted as a part of the required reserves in any bank or trust company, exclusive of Federal Reserve Member Banks, unless it shall first set aside, earmarked for the trust department, obligations of or guaranteed by the United States or any agency or instrumentality thereof including, without limitation, obligations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and public housing authorities or obligations of the State, its municipalities, subdivisions, agencies or instrumentalities having a maturity of not more than 5 years from the date of earmarking for the trust department and having a current market value of at least 110 percent of the amount on deposit. (61 Del. Laws, c. 96, §§ 1-3; 62 Del. Laws, c. 248, § 1.)

(e) If the reserve of any corporation comprehended by this section shall be less than prescribed by general regulations issued by the State Bank Commissioner, the corporation shall not make any new loans or discounts, other than discounting bills of exchange payable on sight, nor shall the corporation declare or pay any dividends until the full amount of its reserve shall have been restored. Upon failure of any corporation to make good its reserve within 30 days after notice from the State Bank Commissioner, the Commissioner may treat such corporation as in an unsound condition and may proceed against it accordingly. (32 Del Laws, c. 103, § 10; Code 1935, § 2298; 43 Del. Laws, c. 139, § 1; 44 Del. Laws, c. 130, § 1; 45 Del. Laws, c. 163, § 1; 5 Del. C. 1953, § 907.)

§ 908. Value of which assets shall be carried on books.

No bank or trust company shall carry on its books any of its assets at a sum in excess of the cost value thereof except by and with the written consent of the State Bank Commissioner. (32 Del. Laws, c. 103, § 11; Code 1935, § 2299; 5 Del. C. 1953, § 908.)
§ 909. Loan limitations.  

(a) No bank or trust company shall make any loans, directly or indirectly, to any person, firm, association or corporation, aggregating an amount which (including any extension of credit to such person, firm, association, or corporation, by means of letters of credit or by acceptance of drafts for, or the discount or purchase of the notes, bills of exchange, or other obligations of, such person, firm, association or corporation) shall exceed the following percentage of the total capital, surplus and undivided profits of the lender.

(1) Ten percent, if the loan be without collateral security, except where the total of the capital, surplus and undivided profits of the lender is not more than $25,000, in which case an amount not to exceed 20 percent of such total may be loaned without collateral security, but where such total of the capital, surplus and undivided profits is greater than $25,000, but does not exceed $50,000, a loan or loans not exceeding in the aggregate $5,000 to any 1 person, firm, association or corporation may be made without collateral security. Nothing herein contained shall prohibit the taking or receiving of any kind, character or amount of security whatsoever, either real or personal, for the protection of any loan made under the provisions of this paragraph, but no such loan or any part thereof shall be considered or construed as a secured loan within the meaning of this paragraph unless the whole thereof has collateral security worth at least 15 percent more than the amount of such loan; or

(2) Fifteen percent (in addition to the amount that may be loaned under the provisions of paragraph (1) of this subsection) upon collateral security worth at least 15 percent more than the amount of such loan so secured; provided, the aggregate amount which can be loaned under paragraph (1) of this subsection and this paragraph to any one person, firm, association or corporation shall not exceed 25 percent of the total capital, surplus and undivided profits of the lender; and provided further that no loan which is without collateral security shall be combined or blended with a loan which has collateral security but the 2 classes of loans shall be kept separate and independent, and each shall be represented by a separate evidence of indebtedness; or

(3) Twenty-five percent upon collateral security worth at least 15 percent more than the amount of the loans so secured. When loans so secured are made to this amount, then no loans not so secured shall be permitted in addition to such secured loans.

(b) None of the limitations or restrictions contained in subsection (a) of this section shall apply to loans, discounts or other extensions of credit secured by bonds or other obligations of the United States, if the
market value of such bonds or other obligations exceeds by 10 percent the
amount of any such loan, discount or other extension of credit; nor shall
such limitations or restrictions apply to any loan, discount, or extension of
credit, to the extent that any of the loans, discounts, or extensions of credit
are secured or covered by guaranties, or by commitments, or agreements to
take over or to purchase any such loans, discounts, or extensions of credit,
made by any Federal Reserve Bank or by the United States or any depart-
ment, bureau, board, commission or establishment of the United States, in-
cluding any corporation wholly owned directly or indirectly by the United
States; but such guaranties, agreements, or commitments are unconditional
and must be performed by payment of cash or its equivalent within 60 days
after demand. Nor shall such limitations apply to the sale of federal funds
to banks insured by the Federal Deposit Insurance Corporation, or the
purchase of securities under agreements to resell provided such sales and
purchases shall be repayable on the banking day next following their date
of execution. (61 Del. Laws, c. 524, § 1.)

(c) In computing loans to any person under this section, there shall
be included all liabilities to the lending corporation of any copartnership
or unincorporated association of which the borrower is a member, and also
all loans made for his benefit or for the benefit of the copartnership or un-
incorporated associations; and in computing the loans to any copartnership,
or unincorporated association under this section, there shall be included
all liabilities of its individual members and all loans made for the benefit
of the copartnership, or unincorporated association or any member thereof;
and in computing the loans to any corporation under this section there
shall be included all loans made for the benefit of the corporation.

(d) No bank or trust company shall make any loans, directly or in-
directly to any of its directors, [or]† executive officers except on the fol-
lowing conditions:

(1) That the loan be approved by the vote of two thirds of the
whole board of directors, or where the granting of loans is vested in
a committee of the board of directors, then by a vote of two thirds
of the whole committee, and the proposed borrower shall not be pres-
ent when the application for the loan is acted on;

(2) That at the time the loan shall be voted upon, there shall be
submitted to and examined by the directors voting upon the loan a
written statement signed by the proposed borrower setting forth
clearly his financial condition and disclosing his assets and liabilities,
and in case the loan shall be granted, the statement shall be preserved
and kept with the evidence of the loan while the same remains un-
paid, but no such statement shall be necessary where the loan is se-
cured by liquid collateral worth at least 20 percent more than the

† Editors addition 63 Del. Laws, c. 2, § 21 omitted this word.
§ 910. Investment limitations.

No bank or trust company shall invest more than 25 percent of its total capital, surplus and undivided profits in the stock, bonds or other obligations of any one corporation or political entity or political division except bonds or other obligations of or guaranteed by the United States or any agency or instrumentality thereof including, without limitation, obligations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and public housing authorities, or obligations of the State or its municipalities, subdivisions, agencies or instrumentalities. (32 Del. Laws, c. 103, § 13; Code 1935, § 2301; 5 Del. C. 1953, § 910; 61 Del. Laws, c. 93, § 1.)

§ 911. Ownership of real estate used for transaction of business.

The provisions of § 762 of this title shall be applicable to all banks and trust companies of this State, except with respect to the investment or expenditure of money prior to July 1, 1933. (32 Del. Laws, c. 103, § 16; 38 Del. Laws, c. 93, § 1(6) ; Code 1935, § 2304; 5 Del. C. 1953, § 911.)

§ 912. Limitations upon loans on security of and purchase of own capital stock.

No bank or trust company shall purchase shares of its own capital stock, nor make any loan on the faith or pledge of shares of its own capital stock; but nothing in this section shall inhibit such purchase or loan when necessary to prevent loss on debts created prior to March 31, 1921, nor shall it affect the holding of stock acquired by any bank or trust company prior to March 31, 1921. (32 Del. Laws, c. 103, § 14; Code 1935, § 2302; 5 Del. C. 1953, § 912.)

§ 913. Authority of national bank to act as fiduciary.

Any national bank located in this State, when authorized by the laws of the United States, may act by any and every method of appointment, and in any capacity whatever, as trustee, executor, administrator, or register of stocks and bonds. (29 Del. Laws, c. 118, § 1; Code 1935, § 2368; 5 Del. C. 1953, § 913.)

§ 914. Appointment of trust company as trustee.

Any court, judge or officer, authorized by law to appoint any person or corporation to any office of trust, may appoint to such office any trust
company incorporated under the laws of this State, and having its principal office or place of business in this State, if the court, judge or officer is satisfied that the capital stock of the trust company has been fully paid in cash, and that the trust company is authorized by its charter to perform the duties of the office. (22 Del. Laws, c. 388, § 1; Code 1915, §§ 641, 3872; Code 1915, § 635; 37 Del. Laws, c. 52, § 2; Code 1935, §§ 525, 4398; 5 Del. C. 1953, § 914.)

§ 915.


§ 916. Preference of uninvested funds held on deposit.

Whenever any bank or trust company holds on deposit funds as a part of its deposit liabilities for the account of an estate for which it is acting as executor, administrator, guardian, trustee or in any other fiduciary capacity, the liability of such institution to the estate entitled to the funds shall be at all times a preferred claim superior to all unsecured claims of other creditors, including depositors of the institution. This section shall not be construed to subordinate the security of any secured creditor of any such institution to the preference hereby accorded to the deposits of any estate. (32 Del. Laws, c. 103, § 23; 38 Del. Laws, c. 93, § 1(8); 38 Del. Laws, c. 94, § 23; Code 1935, §§ 2311, 2392; 45 Del. Laws, c. 161, § 1; 45 Del. Laws, c. 164, § 1; 5 Del. C. 1953, § 916; 61 Del. Laws, c. 491, § 1.)

§ 917. Surety not required on bond of trust company or national bank; liability and lien upon real estate.

(a) Whenever a trust company is appointed to an office of trust or to act in a fiduciary capacity, no surety need be required, in the discretion of the appointing court, judge or officer, on any bond given by it for the faithful performance of its duties, by reason of such appointment, unless otherwise stipulated in the will or other instrument making the appointment, or unless required in or by an order or decree of court having jurisdiction in the premises; but all of the capital stock, surplus and property owned by the trust company shall be specially and primarily liable for the obligation of the trust company while acting in such trust or fiduciary capacity.

All liabilities and obligations, arising from or growing out of any such trusts, shall be liens upon its real estate prior and paramount to any other lien or encumbrance the trust company may create or suffer respecting the same.

(b) In case any national bank located in this State shall be appointed trustee, executor or administrator, it need not be required, in the discre-
§ 918. Limitations on pledging or hypothecating assets.

(a) No bank or trust company shall pledge or hypothecate any of its assets except as follows:

(1) To borrow up to but not exceeding the amount of its capital and surplus actually paid in and undiminished by losses or otherwise;

(2) To borrow in excess of the limitation of paragraph (1) of this subsection when the State Bank Commissioner shall have given his written consent;

(3) To borrow, in addition to the amounts specified in paragraphs (1) and (2) of this subsection, any amount for the purpose of buying United States bonds, United States Treasury certificates, or notes or obligations of the United States, and in such case the consent of the State Bank Commissioner shall not be required;

(4) To qualify itself to receive deposits of money of the United States;

(5) To qualify itself to receive deposits of money of the State or any political subdivision or municipality thereof.

(b) No bank or trust company shall repledge or rehypothecate any property held by it in pledge or hypothecation as collateral which belongs to any other corporation or person, unless such property is accompanied by the obligation of the original borrower from the institution.

(c) No loan made in contravention of this section shall be rendered illegal for this cause as against the lender or holder thereof, but the borrowing corporation shall be subject to appropriate proceedings by the State Bank Commissioner for a violation of law.

(d) Any savings bank or savings society doing business in this State may borrow money, and may secure the same by the assignment or pledge of any mortgage, mortgages, bonds, or other assets held by said savings bank or savings society, provided that the amount borrowed from all sources shall not at any time exceed in the aggregate 25 percent of the amount set aside for surplus and reserves. The amounts borrowed from all sources shall at all times, irrespective of whether or not the same are secured, constitute a preferred claim superior to all other claims on the
assets of said savings bank or savings society. Provided, however, that any savings bank or savings society may borrow in excess of the 25 per-
cent limitation set out above on written approval by the State Bank Com-
misioner. (32 Del. Laws, c. 103, § 18; 38 Del. Laws, c. 93, § 1(7); Code 1935, § 2306; 44 Del. Laws, c. 131, § 1; 5 Del. C. 1953, § 918; 54 Del. Laws, c. 85; 60 Del. Laws, c. 374, § 1.)

§ 919. Filing of rules and regulations on time and savings deposits.

(a) Every bank and trust company, including savings banks and na-
tional banks, doing business in this State, shall file in the office of the State Bank Commissioner a written statement setting forth clearly and specifically its rules and regulations as to time deposits and as to savings deposits including:

(1) The maximum amount that the corporation will receive from a depositor during a specific period;
(2) The rate of interest allowed on each class of deposits;
(3) How and for what period the interest is calculated;
(4) What notice is required before withdrawal and whether any exception, and if so, what, is allowed, and such other things as the Commissioner shall specify.

(b) If and when any corporation makes any change in its rules and regulations as filed with the Commissioner, the corporation shall forthwith file with the Commissioner a written statement setting forth the change. (32 Del. Laws, c. 103, § 20; 38 Del. Laws, c. 93, § 1(8); Code 1935, § 2308; 5 Del. C. 1953, § 919.)

§ 920. Deposits by minors.

(a) Any bank, savings bank, savings institution or trust company may receive money on deposit from or in the name of any minor. When any deposit of money shall be made by or in the name of any minor with any bank, savings bank, savings institution or trust company in this State, the same shall be held for the benefit of the depositor, in the same way and to the same extent as if the depositor were an adult person. The minor depositor may make drafts or withdrawals of his deposits, and the deposits shall be paid, together with the dividends and interest thereon, to the person in whose name the deposit shall have been made, or upon his or her written order. The receipt or acquittance of a minor shall be a valid and sufficient release and discharge to the bank, savings bank, savings institution or trust company for the deposit, or any part thereof.

(b) Any bank, savings bank, savings institution or trust company shall have the right to refuse any deposit offered by or in the name of a minor.
§ 921. Deposits of married women.

Banks, savings banks and other institutions for the safe keeping of money, may accept and pay out deposits of married women, without the consent or control of their husbands. (14 Del. Laws, c. 550, § 3; Code 1915, §§ 2114, 3048, 3049, 3059; 30 Del. Laws, c. 197, § 1; Code 1935, § 2268; 5 Del. C. 1953, § 921.)

§ 922. Deposits of decedents.

Banks, trust companies, savings banks, and savings societies may pay out deposits of decedents, without requiring letters of administration to be issued upon the estates of such decedents, when and as provided by §§ 2305 and 2306 of Title 12. (Code 1915, § 2115; Code 1935, § 2269; 53 Del. Laws, § 922.)

§ 923. Deposits in names of two or more persons.

When a deposit in any bank, trust company, savings bank or other banking institution in this State, is made in the name of 2 or more persons, deliverable or payable to either, or to their survivor or survivors, the deposit, or any part thereof, or the increase thereof, may be delivered or paid to either of the persons, or to the survivor or survivors, in due course of business. (28 Del. Laws, c. 107, § 1; Code 1935, § 2270; 5 Del. C. 1953, § 923.)

§ 924. Deposits in trust.

When a deposit in any bank, trust company, savings bank or other banking institution in this State, is made by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust has been given in writing to the bank, in the event of the death of the trustee, the deposit, or any part thereof, or the increase thereof, may be paid to the person for whom the deposit was made, or his legal representative. (28 Del. Laws, c. 107, § 1; Code 1935, § 2271; 5 Del. C. 1935, § 924.)

§ 925. Collection, payment and dishonor of demand items; revocation of credit.\(^5\)

Repealed by 63 Del. Laws, c. 2, § 22.
§ 926. Subrogation of Federal Deposit Insurance Corporation to rights of owners of insured deposits in closed institutions.

Whenever a receiver has been appointed by the Court of Chancery for a bank or trust company in this State and the Federal Deposit Insurance Corporation pays or makes available for payment to the receiver the insured deposit liabilities of the closed institution, the Federal Deposit Insurance Corporation shall be subrogated to all the rights against the closed institution of the owners of the insured deposits in the same manner and to the same extent as if the owners had lawfully assigned to the Federal Deposit Insurance Corporation so much or such of their deposits as the Federal Deposit Insurance Corporation has paid or is ready to pay to the receiver. (40 Del. Laws, c. 231, § 1; Code 1935, § 2408; 5 Del. C. 1953, § 926.)

§ 927. Penalty for false statements regarding financial condition.

Whoever wilfully and maliciously makes, circulates or transmits to another or others, any false statement, rumor or suggestion, written, printed or by word of mouth, which is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any bank, trust company, savings bank, or other banking institution in this State, shall be fined not more than $2,000 or imprisoned not more than 2 years, or both. (28 Del. Laws, c. 107, § 1; Code 1935, § 2272; 5 Del. C. 1953, § 927.)

§ 928. Penalty for representing or holding oneself out as engaged in business of receiving deposits.

(a) Any person, firm, or association of individuals or any agent or official of any corporation who in any manner represents or holds out himself, herself, themselves or itself, whether by public advertisement, placard, handbill or otherwise, as engaged in the receipt of deposits of money as a savings fund, bank or trust company or any business substantially similar thereto within the boundaries of the State, not being authorized under this Code or any other laws of this State to engage in such business or any business substantially similar thereto, shall be fined not more than $200 or imprisoned not more than 1 year, or both.

(b) When the name of any person or persons, firm, association or corporation appears in or on any handbill, placard, advertisement or other representation advertising or holding out such person, firm, association or corporation as engaged in the business of receiving deposits of money within the boundaries of the State, it shall be prima facie evidence of its presence there by the authority and with the knowledge of such person, firm, association or corporation and of the officers and representatives in this State of the corporation. (22 Del. Laws, c. 467, §§ 1, 2; Code 1915, §§ 3507, 3508; Code 1935, §§ 3987, 3988.)

(a) The directors of the Farmers' Bank of the State of Delaware, and its branches on the part of the State, shall make a report in writing to the Governor, showing the resources and liabilities of the Bank and its branches during the month of December in each year, which report shall embrace the following particulars:

1. The amount of loans and discounts embracing notes, bonds, and mortgages, and also the amount of loans secured by collateral;
2. The amount of protested, waived or suspended paper, and the interest due thereon in the aggregate;
3. A statement in detail of each parcel of all the real estate owned and held by the Bank and its branches, exclusive of banking house and premises connected therewith respectively, and its cost value, also their individual estimate of the cost value of the same, also the annual income derived therefrom, as well as the amount expended for improvement and repair to the same;
4. The actual cost value of each parcel of real estate owned and used by the Bank and its branches, for banking purposes;
5. The amount of overdrafts in the Bank and its branches;
6. The cash and cash items in the Bank and its branches;
7. The amount due from other banks and bankers;
8. The amount of capital stock, number of shares and the par value of each share;
9. The amount on deposit in the Bank and its branches;
10. The amount due from the Bank and its branches to other banks or bankers;
11. The amount of outstanding circulation;
12. The amount required to be furnished to pay the dividend declared on the stock of the Bank and its branches, and what amount each bank or branch furnished toward paying the same, both at the June return as well as the one made in December.
13. The amount of undivided profits and the amount of unpaid dividends.

(b) The directors shall not in their report, required to be made under this section, disclose the name of the persons indebted to the Bank or its branches, but shall report whether or not in their judgment the bonds, mortgages, protested and waived paper are worth to the Bank and
branches the amount claimed for them; and if not, the approximate percentage which would cover the loss on the same.

(c) A failure upon the part of the directors to perform the duties imposed by this section shall work a forfeiture of the office of director. (16 Del. Laws, c. 451, §§ 1-4; Code 1915, § 2112; Code 1935, § 2266; 5 Del. C. 1953, § 929.)

§ 930. Director vacancies in Farmers' Bank.

Any vacancy occurring in the directorship of the Farmers' Bank of the State of Delaware and its branches on the part of the State shall be filled by the Governor. (16 Del. Laws, c. 451, §§ 1-4; Code 1915, § 2112; Code 1935, § 2266; 5 Del. C. 1953, § 930.)

§ 931. Employee retirement pensions for savings banks and savings societies.

Savings banks and savings societies, subject to the laws of this State, may, in the discretion of a majority of all the managers or governing board, retire any officer, clerk or other employee, who has served the savings bank or savings society for a period of 30 years or more, or who has served the savings bank or savings society for a period of 10 years or more and shall have become incapacitated, or who has served the savings bank or savings society for a period of 20 years or more and has attained the age of 60 years. Any person retired from service pursuant to this section may be paid an annual pension, in equal monthly installments. The maximum pension paid shall in no case exceed 60% of the average annual salary for the 3 years preceding retirement. The discretion of the managers or governing board as to the time of payments, the amount of payments, and the duration of payments, within the maximum amounts allowed under this section, shall at all times be absolute and final.

For the purpose of establishing and maintaining a pension plan or a plan for carrying life insurance or providing other after death benefits for any of its officers, clerks or employees, or their estates or beneficiaries, or a plan combining these types of benefits, any such savings bank or savings society may, in the discretion of a majority of its board of managers or governing board, segregate or allocate funds from its income or other assets and pay the same into a trust fund. Any such institution establishing such trust fund may itself act as trustee or may have an independent trustee. Even though the ultimate benefits of the plan are paid out of such trust fund, or even though premiums for the coverage are paid out of such trust fund, rather than directly out of the savings institution's operating funds, unless the terms of the said trust are approved by the State Bank Commissioner as provided in this section, the limitations of years and percentage specified in the preceding paragraph shall remain applicable, and the only benefits payable shall be such as are authorized.
by the said paragraph. If the State Bank Commissioner shall determine that the said plan is not injurious to the institution or the security of its deposits, then such benefits as may be provided by said plan may be paid to officers, clerks or employees, or their estates or beneficiaries, in accordance with the terms of the plan, even though these terms may not be within the limitations of the preceding paragraph. If the plan has once been approved but is thereafter amended, the amendment shall be approved before any benefits are paid out under the amended plan. (43 Del. Laws, c. 141, § 1; 5 Del. C. 1953, § 931; 49 Del. Laws, c. 250; 55 Del. Laws, c. 118.)

§ 932. Loans and securities insured by Federal Housing Administrator.

(a) Banks, savings banks, trust companies, building and loan associations, and insurance companies, subject to this Code and any other laws of this State, may make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for insurance by the Federal Housing Administrator, and may obtain such insurance; and may make such loans, secured by real property or leasehold, as the Federal Housing Administrator insures or makes a commitment to insure, and may obtain such insurance.

(b) Banks, savings banks, trust companies, building and loan associations, insurance companies, trustees, guardians and other fiduciaries, may invest their funds and the moneys in their custody or possession, eligible for investment, in notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator, provided such notes or bonds or the notes, bonds or debentures into which the same are convertible upon foreclosure of such mortgage or deed of trust shall be guaranteed as to principal and interest by the United States government.

(c) The mortgages, debentures and other securities herein made eligible for investment may be used, wherever securities must be furnished by any depository in the State, as security for the deposit of any funds whatsoever, or wherever securities must be deposited with any official of the State pursuant to this Code and any other statute of this State.

(d) No law of this State requiring security upon which loans or investments may be made, or prescribing the nature, amount or form of such security, or prescribing or limiting interest rates upon loans or investments or limiting investments of capital or deposits, or prescribing or limiting the period for which loans or investments may be made, shall be deemed to apply to loans or investments made pursuant to the provisions of this section. (40 Del. Laws, c. 150, §§ 1, 2; Code 1935, §§ 2405, 2405(a), 2406, 2406(a); 41 Del. Laws, c. 133, §§ 1-4; 5 Del. C. 1953, § 932.)
§ 933. Branch office requirements.*

(a) Any savings bank or savings society, if authorized by its charter, may open a branch office or place of business, or branch offices or places of business in this State, upon application submitted to and approved by the State Bank Commissioner and upon the issuance of a certificate of authority of the State Bank Commissioner. The application shall state the exact location of the intended branch office and the necessity for its opening. The Commissioner shall inquire into the matter, and if he deems that the public convenience will be served thereby and that there is good and sufficient reason that the savings bank or savings society should have the branch office, the Commissioner shall issue his written permission for the opening of the branch office. Any certificate of authority issued by the Commissioner shall be void and of no effect if after the expiration of a reasonable period of time, as determined by the State Bank Commissioner, such branch is not actually opened for business. The Commissioner shall by regulations prescribe the criteria to be applied in determining what constitutes a reasonable period of time.

A fee of $500 for every certificate shall be required by the Commissioner before issuing the same. In addition the applicant shall pay an investigation fee of $500 which shall not be refundable and shall be submitted with the application.

(b) Nothing in this section shall deny any savings bank or savings society the right to continue a branch office or offices if such branch office or offices shall have been actually established prior to June 2, 1959.

(c) Any savings bank or savings society, with the prior approval of the State Bank Commissioner, may install, maintain, operate or utilize for the benefit of its customers 1 or more electronic devices or machines at locations remote from its main office or any branch office, by which funds may be deposited into or withdrawn from established accounts, advances may be obtained against previously authorized lines of credit, transfers of funds between accounts may be made, loan payments may be made or cash may be received or dispensed. An off-premises facility as described herein shall be deemed to be a branch office except that it may be shared among banks, savings banks, national banks, savings and loan institutions and credit unions, and the Commissioner's approval need only be conditioned upon a determination that the facility will be an effective and efficient service consistent with sound banking practices. Such facilities may be manned by personnel of the bank, or may be unmanned or manned by a person under contract with, but not an officer or employee of, the operating bank. (5 Del. C. 1953, § 933; 52 Del. Laws, c. 58; 57 Del. Laws, c. 740, § 20; 60 Del. Laws, c. 268, §§ 8, 9; 62 Del. Laws, c. 245, § 2; 63 Del. Laws, c. 2, § 20.)
§ 934. Farmers' Bank Commission.

(a) There is hereby established the Farmers' Bank Commission (hereinafter referred to as the "Commission").

(b) The Commission shall consist of 7 commissioners to be chosen as follows:

(1) One commissioner a resident of the City of Wilmington; 1 commissioner a resident of Kent County; 1 commissioner a resident of Sussex County; 3 commissioners residents of New Castle County, outside of the City of Wilmington; and 1 commissioner chosen from the state-at-large.

(2) The commissioner-at-large shall serve at the pleasure of the Governor and shall be designated as Chairman of the Commission.

(3) Each member of the Commission, except the Chairman, shall serve, after their initial term, a 3-year term, or, until a successor is duly qualified. Commissioners shall be appointed by the Governor. In the case of a vacancy in an unexpired term, a successor shall be appointed by the Governor to serve for the remainder of the unexpired term.

(4) The political affiliation of the commissioners shall not upon appointment be more than a bare majority of 1 major political party over the other major political party. Those persons registered as declines may serve on the Commission.

(5) Initially, the Governor shall, consistent with paragraph (3) of this subsection, choose 2 commissioners for a 1-year term, 2 commissioners for a 2-year term, 2 commissioners for a 3-year term, and choose 1 commissioner-at-large in the State to serve as Chairman. Persons serving on the Commission shall be eligible for reappointment.

(6) Commissioners shall serve without compensation but shall be reimbursed for travel and other expenses incurred in attending meetings of the Commission.

(7) The commissioners shall be appointed so as to insure diversity of their background and their strict impartiality in protecting the State's interest in its investment in the Farmers' Bank of the State of Delaware. In considering the qualifications of persons who may be appointed as commissioners, the Governor shall consider among other things the knowledgeability of such person in the fields of corporate finance, banking, accountancy, money management and personnel management.

(c) The Governor and the General Assembly may remove from office a commissioner who shall be guilty of nonfeasance or malfeasance in the office of commissioner.
(d) No commissioner shall, while a member of the Commission, serve as a director, officer or employee of any bank doing business in the State; nor shall any commissioner be appointed who is a member of the General Assembly or any elected or appointed official of any political subdivision of the State; nor shall any commissioner obtain any loan for his personal use from the Farmers' Bank of the State of Delaware; nor shall any commissioner at any time be eligible to serve on the Commission who shall own more than 1% of the common stock of the Farmers' Bank of the State of Delaware.

(e) The commissioners shall make an annual report of the activities of the Commission to the Governor and the General Assembly and render such other reports as the Governor and the General Assembly may from time to time request or as may be required by law. The Commission may hire such experts as are necessary to assist them in preparing such report.

(f) The Commission shall be the trustee of the after-acquired shares of common or preferred stock which the State purchases in the Farmers' Bank of the State of Delaware. After February 15, 1977, the Commission shall vote the common stock of the Farmers' Bank of the State of Delaware owned by the State prior to April 13, 1976.

(g) The Commission shall by a majority vote of the commissioners exercise all the powers, duties and functions of shareholders and have all the protections under law of shareholders by virtue of their position as trustees of the common or preferred stock of the Farmers' Bank of the State of Delaware hereafter acquired by the State.

(h) The Commission's existence will cease forthwith when the State shall no longer own any common or preferred stock.

(i) The State shall indemnify a commissioner who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a commissioner, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in the best interests of the State and with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the State in advance of final disposition of such action, suit or proceeding as authorized by a majority vote of the commissioners, unless more than a majority of the commissioners shall also be parties to the same action, suit or proceeding, in which instance, such authorization shall be by the Governor of the State.
(j) The State shall indemnify any agent of or adviser to the Commission, to the extent set forth in the contract or agreement between the Commission and the agent or adviser, relating to the services to be performed by such agent or adviser, for acts performed within the scope of the agent or adviser's work under the agreement or contract. (60 Del. Laws, c. 357, § 1; 60 Del. Laws, c. 485, § 1; 62 Del. Laws, c. 260, § 1.)

§ 935. Indemnification of Farmers' Bank directors by State.

(a) Unless the amounts sought in indemnity are payable under a valid and enforceable insurance policy:

(1) The State shall indemnify any director who is not or was not an officer of the Farmers' Bank of the State of Delaware who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Farmers' Bank of the State of Delaware) by reason of the fact that he was or is a director of the Farmers' Bank of the State of Delaware, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Farmers' Bank of the State of Delaware and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Farmers' Bank of the State of Delaware, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) The State shall indemnify any person who was or is a director, and who is not or was not an officer of the Farmers' Bank of the State of Delaware, and who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Farmers' Bank of the State of Delaware to procure a judgment in its favor by reason of the fact that he was or is a director of the Farmers' Bank of the State of Delaware against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation.
and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(3) To the extent that a director who is not or was not an officer of the Farmers' Bank of the State of Delaware has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs (1) and (2) of this subsection or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(b) Any indemnification under subsection (a) of this section (unless ordered by court) shall be made by the State only as authorized in the specific case upon a determination that indemnification of the directors is proper in the circumstances because the director has met the applicable standard of conduct set forth in subsection (a) of this section. Such determination shall be made by a vote of the members of the Farmers' Bank Commission at least two-thirds of the members therein concurring.

(c) Unless such expenses are payable under a valid and enforceable insurance policy, and upon the recommendation of the Attorney General, reasonable expenses incurred by a director who is not or was not an officer of the Farmers' Bank of the State of Delaware in defending a civil or criminal action, suit or proceeding shall be paid by the State in advance of the final disposition of such action, suit or proceeding in the specific case upon receipt of an undertaking by or on behalf of the director, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized by this section.

(d) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the certificate of incorporation or bylaws of the Farmers' Bank of the State of Delaware, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director of the Farmers' Bank of the State of Delaware and shall inure to the benefit of the heirs, executors and administrators of such a person.
(e) No indemnity or payments shall be furnished pursuant to this section:

(1) For any act or omission which occurred before July 1, 1976;

(2) In any amount in excess of $10,000,000 for any and all claims hereunder;

(3) Until the surplus capital account of the Farmers' Bank of the State of Delaware has been used for indemnification up to the amount of $1,000,000, or, if the Farmers' Bank of the State of Delaware has $1,000,000 or less in such account, until the entire such account has been used for indemnification.

(f) For purposes of this section, "director" shall mean any person who is a director of the Farmers' Bank of the State of Delaware on April 28, 1977, or any person who becomes a director of the Farmers' Bank of the State of Delaware after April 28, 1977.

(g) No payment under this section shall be approved unless the director seeking such payment shall agree that the State be subrogated, to the extent of such payment, to all rights of recovery of such director, and shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the State effectively to bring suit in the name of the State.

(h) No indemnity or payments shall be furnished pursuant to this section for any act or omission which shall occur after January 31, 1979, unless the application of this section has been extended by a subsequent act of the General Assembly.

(i) The Farmers' Bank of the State of Delaware shall pay the State a premium for the indemnity coverage provided by this section at a rate that would be commensurate to that paid a private insurance carrier. The rate charged shall be determined by the Insurance Commissioner. (61 Del. Laws, c. 28, § 1; 61 Del. Laws, c. 81, §§ 1, 2; 61 Del. Laws, c. 238, § 1.)

Subchapter II. Bank Revolving Credit

§ 941. Definitions. *

As used in this subchapter:

(a) "Bank" means any bank or bank and trust company organized under this Code or any other law or laws of this State and any such depository institution organized under the authority of the United States and having its principal place of business in this State.
(b) "Borrower" means any corporation, partnership, association, government or governmental subdivision or agency, trust, individual or other entity.

(c) "Individual borrower" means a borrower who is a natural person borrowing for personal, household or family purposes.

(d) "Revolving credit plan" or "plan" means a plan contemplating the extension of credit under an account governed by an agreement between a bank and a borrower pursuant to which:

(1) The bank permits the borrower and, if the agreement governing the plan so provides, persons acting on behalf of or with authorization from the borrower, from time to time to make purchases and/or to obtain loans by use of a credit device;

(2) The amounts of such purchases and loans are charged to the borrower's account under the revolving credit plan;

(3) The borrower is required to pay the bank the amounts of all purchases and loans charged to such borrower's account under the plan but has the privilege of paying such amounts outstanding from time to time in full or in installments; and

(4) Interest may be charged and collected by the bank from time to time on the outstanding unpaid indebtedness under such plan.

(e) "Purchases" mean payments for property of whatever nature, real or personal, tangible or intangible, and payments for services, licenses, taxes, official fees, fines, private or governmental obligations, or any other thing of value.

(f) "Loans" mean cash advances or loans to be paid to or for the account of the borrower.

(g) "Credit device" means any card, check, identification code or other means of identification contemplated by the agreement governing the plan.

(h) "Outstanding unpaid indebtedness" means on any day an amount not in excess of the total amount of purchases and loans charged to the borrower's account under the plan which is outstanding and unpaid at the end of the day, after adding the aggregate amount of any new purchases and loans charged to the account as of that day and deducting the aggregate amount of any payments and credits applied to that indebtedness as of that day and, if the agreement governing the plan so provides, may include the amount of any interest and additional charges, including late or delinquency charges, which have accrued in the account and which are unpaid at the end of the day. (63 Del. Laws, c. 2, § 4.)
§ 942. Extension of Credit under Revolving Credit Plan.∗

Any bank may, subject to any limitations on lending authority contained in its charter or otherwise imposed by law and subject to the other provisions of this subchapter, offer and extend credit under a revolving credit plan to a borrower and in connection therewith may charge and collect the interest and other charges permitted by this subchapter and may take such security as collateral in connection therewith as may be acceptable to the bank. Without limitation of the foregoing, credit may be extended under a revolving credit plan by a bank's acquisition of obligations arising out of the honoring by a merchant, a bank or other financial institution (whether chartered or organized under the laws of this or any other state, the District of Columbia, the United States or any district, territory or possession of the United States, or any foreign country), or a government or governmental subdivision or agency of a credit device made available to a borrower under a plan, whether directly or indirectly by means of telephone, point of sale terminal, automated teller machine or other electronic or similar device or through the mails. (63 Del. Laws, c. 2, § 4.)

§ 943. Interest.∗

A bank may charge and collect interest under a revolving credit plan on outstanding unpaid indebtedness in the borrower's account under the plan at such daily, weekly, monthly, annual or other periodic percentage rate or rates as the agreement governing the plan provides or as established in the manner provided in the agreement governing the plan. If the applicable periodic percentage rate under the agreement governing the plan is other than daily, interest may be calculated on an amount not in excess of the average of outstanding unpaid indebtedness for the applicable billing period, determined by dividing the total of the amounts of outstanding unpaid indebtedness for each day in the applicable billing period by the number of days in the billing period. If the applicable periodic percentage rate under the agreement governing the plan is monthly, a billing period shall be deemed to be a month or monthly if the last day of each billing period is on the same day of each month or does not vary by more than four days therefrom. (63 Del. Laws, c. 2, § 4.)

§ 944. Variable Rates.∗

If the agreement governing the revolving credit plan so provides, the periodic percentage rate or rates of interest under such plan may vary in accordance with a schedule or formula. Such periodic percentage rate or rates may vary from time to time as the rate determined in accordance with such schedule or formula varies and such periodic percentage rate or rates, as so varied, may be made applicable to all outstanding unpaid in-
debtedness under the plan on or after the effective date of such variation including any such indebtedness arising out of purchases made or loans obtained prior to such variation in the periodic percentage rate or rates. (63 Del. Laws, c. 2, § 4.)

§ 945. Additional Charges.*

In addition to or in lieu of interest at a periodic percentage rate or rates as provided in §§ 943 and 944 of this subchapter, a bank may, if the agreement governing the revolving credit plan so provides, charge and collect one or more of the following:

(1) A daily, weekly, monthly, annual or other periodic charge in such amount or amounts as the agreement may provide for the privileges made available to the borrower under the plan;

(2) A transaction charge or charges in such amount or amounts as the agreement may provide for each separate purchase or loan under the plan; and

(3) A minimum charge for each daily, weekly, monthly, annual or other scheduled billing period under the plan during any portion of which there is an outstanding unpaid indebtedness under the plan. (63 Del. Laws, c. 2, § 4.)

§ 946. Purchases and Loans—Differing Terms.*

A bank may, if the agreement governing a revolving credit plan so provides, impose different terms (including, without limitation, the terms governing the periodic percentage rate or rates used to calculate interest, the method of computing the outstanding unpaid indebtedness to which such rate or rates are applied, the amounts of other charges and the applicable installment repayment schedule) in respect of indebtedness arising out of purchases and indebtedness arising out of loans made under the plan.

§ 947. Overdraft Accounts.*

If credit under a revolving credit plan is offered and extended in connection with a demand deposit account or other transaction account maintained by the borrower with the bank pursuant to an agreement or arrangement whereby the bank agrees to honor checks, drafts or other debits to such account, which if paid would create or increase a negative balance in such account, by making extensions of credit to such borrower under such revolving credit plan, any charges customarily imposed by the bank under the terms governing such demand deposit or other transaction account in the absence of any associated revolving credit plan (including, without limitation, check charges, monthly maintenance charges, check-
book charges, charges for checks drawn on funds in excess of an available line of credit and other similar charges) may continue to be imposed on such account without specific reference thereto or incorporation thereof by reference in the agreement governing the revolving credit plan and the amount of any such charge, to the extent the balance in such demand deposit or other transaction account is insufficient to pay such a charge, may be charged to the borrower's account under the plan as a loan thereunder and may be included in outstanding unpaid indebtedness in accordance with the terms of the agreement governing such revolving credit plan. (63 Del. Laws, c. 2, § 4.)

§ 948. Omitted installments.\textsuperscript{a}

A bank may at any time and from time to time unilaterally extend to a borrower under a revolving credit plan the option of omitting monthly installments. (63 Del. Laws, c. 2, § 4.)

§ 949. Insurance.\textsuperscript{a}

(a) A bank may request but not require an individual borrower to be insured in respect of a revolving credit plan under a life, health, accident, health and accident or other credit or other permissible insurance policy, whether group or individual, and in the event that an individual borrower's outstanding unpaid indebtedness under the plan is secured by an interest in real or personal property, a bank may require the borrower to obtain insurance, from an insurer acceptable to the bank, against loss of or damage to such property, or against the liability arising out of the ownership or use of the property and may finance the premiums for such insurance.

(b) In the case of a borrower borrowing under a revolving credit plan for other than personal, household or family purposes, a bank may require the borrower to obtain insurance, from an insurer acceptable to the bank, under a life, health, accident, health and accident or other credit or other permissible insurance policy, whether group or individual, and in the event that the borrower's outstanding unpaid indebtedness under the plan is secured by an interest in real or personal property, the bank may require the borrower to obtain insurance, from an insurer acceptable to the bank, against loss of or damage to such property, or against the liability arising out of the ownership or use of the property and may finance the premiums for such insurance.

(c) The offer and placement of insurance under this section shall be subject in all respects to the applicable provisions of Title 18 of this Code. (63 Del. Laws, c. 2, § 4.)
§ 950. Delinquent installments.*

If the agreement governing a revolving credit plan so provides, a bank may, in the case of a non-individual borrower, charge a higher periodic percentage rate or rates of interest on outstanding unpaid installment payments or portions thereof under the plan which are in default, and, in the case of any borrower, impose a late or delinquency charge upon such installment payments or portions thereof; provided, however, that no more than one such late or delinquency charge may be imposed in respect of any single such installment payment or portion thereof regardless of the period during which it remains in default and provided further, however, that for the purpose only of the preceding proviso all payments by the borrower shall be deemed to be applied to satisfaction of installment payments in the order in which they become due. (63 Del. Laws, c. 2, § 4.)

§ 951. Attorney’s fees; collection costs.*

In the event a borrower defaults under the terms of a plan and the bank refers the borrower’s account to an attorney (not a regularly salaried employee of the bank) for collection, the bank may, if the agreement governing the revolving credit plan so provides, charge and collect from the borrower a reasonable attorney’s fee and, in addition, if the agreement governing the revolving credit plan so provides, the bank may recover from the borrower all court or other collection costs actually incurred by the bank in connection with a collection proceeding. (63 Del. Laws, c. 2, § 4.)

§ 952. Changes in terms.*

(a) A bank may, if the agreement governing a revolving credit plan so provides, at any time or from time to time amend the terms of such agreement (including, without limitation, the terms governing the periodic percentage rate or rates used to calculate interest, the method of computing the outstanding unpaid indebtedness to which such rate or rates are applied, the amounts of other charges and the applicable installment repayment schedule) in accordance with the further provisions of this section.

(b) The bank shall notify each affected borrower of the amendment in the manner set forth in the agreement governing the plan and in compliance with the requirements of the Truth-In-Lending Act [15 U. S. C. § 1601 et seq.], and regulations promulgated thereunder, as in effect from time to time, if applicable; provided, however, that if such amendment has the effect of increasing the interest or other charges to be paid by the borrower, the bank shall mail or deliver to the borrower, at least 15 days before the effective date of the amendment, a clear and conspicuous written notice which shall describe the amendment and the existing term or terms of the agreement affected by the amendment and shall also set forth the effective date of the amendment and the pertinent information contem-
plated by the following provisions of this section. If the amendment has the effect of increasing the interest or other charges to be paid by the borrower, such amendment shall become effective only if the borrower uses the plan after a date specified in the notice which is at least 15 days after the giving of the notice (but which need not be the date the amendment becomes effective) by making a purchase or obtaining a loan, or if the borrower indicates to the bank in writing such borrower's express agreement to the amendment. Any such amendment may become effective as to a particular borrower as of the first day of the billing period during which such borrower so used such borrower's account or so indicated agreement to the amendment. Any borrower who fails to use such borrower's account or so to indicate agreement to an amendment shall be permitted to pay the outstanding unpaid indebtedness in such borrower's account under the plan in accordance with the terms of the agreement governing the plan without giving effect to the amendment.

(c) If the terms of the agreement governing the plan, as originally drawn or as amended pursuant to this section, so provide, any amendment may, on and after the date upon which it becomes effective as to a particular borrower, apply to all then outstanding unpaid indebtedness in the borrower's account under the plan, including any such indebtedness which shall have arisen out of purchases made or loans obtained prior to the effective date of the amendment.

(d) For the purposes of this section, a decrease in the required amount of periodic installment payments shall not be deemed an amendment which has the effect of increasing the interest to be paid by the borrower.

(e) The procedures for amendment by a bank of the terms of a plan to which a borrower other than an individual borrower is a party may, in lieu of the foregoing provisions of this §952, be as the agreement governing the plan may otherwise provide. (63 Del. Laws, c. 2, §4.)

§953. Application of other statutes.

The provisions of any other law of this State limiting the rate or amount of interest, discount, points, finance charges, service charges, or other charges which may be charged, taken, collected, received, or reserved shall not apply to extensions of credit under a revolving credit plan operated in accordance with this subchapter. (63 Del. Laws, c. 2, §4.)

§954. Non-exclusivity; severability; captions.

(a) The provisions of this subchapter are not exclusive and a bank may at its option elect to extend credit either pursuant to this subchapter or as otherwise permitted by applicable law.
(b) If any provision of this subchapter is held invalid, such invalidity shall not affect any other provisions or applications of this subchapter which can be given effect without the invalid provision.

(c) Section headings and captions contained in this subchapter are inserted only as a matter of convenience and for reference and do not, and shall not be construed to, define, limit, extend or describe the scope of the provisions of this subchapter or the meaning or intent of any section hereof. (63 Del. Laws, c. 2, § 4.)

Subchapter III. Bank Closed End Credit

§ 961. Definitions.*

As used in this subchapter:

(a) “Bank,” “borrower” and “individual borrower” have the meanings given in subchapter II of this chapter.

(b) “Closed End Credit” means the extension of credit by a bank to a borrower pursuant to an arrangement or agreement which is not a revolving credit plan as defined in subchapter II of this chapter.

(c) “Loans” means any single extension of closed end credit. (63 Del. Laws, c. 2, § 5.)

§ 962. Extension of closed end credit.*

Any bank may, subject to any limitations on lending authority contained in its charter or otherwise imposed by law and subject to the other provisions of this subchapter, offer and extend closed end credit to a borrower and in connection therewith may charge and collect the interest and other charges permitted by this subchapter and may take such security as collateral in connection therewith as may be acceptable to the bank. (63 Del. Laws, c. 2, § 5.)

§ 963. Interest.*

A bank may charge and collect interest in respect of a loan at such daily, weekly, monthly, annual or other periodic percentage rate or rates as the agreement governing, or the bond, note or other evidence of, the loan provides or as established in the manner provided in such agreement, bond, note or other evidence of the loan and may calculate such interest by way of simple interest or such other method as the agreement governing, or the bond, note or other evidence of, the loan provides. If
the interest is precomputed it may be calculated on the assumption that all scheduled payments will be made when due. For purposes hereof, a year may but need not be a calendar year and may be such period of from 360 to 366 days, including or disregarding leap year, as the bank may determine (63 Del. Laws, c. 2, § 5.)

§ 964. Variable rates.

If the agreement governing, or the bond, note or other evidence of, the loan so provides, the periodic percentage rate or rates of interest charged and collected in respect of the loan may, if the interest is not precomputed and taken in advance, vary in accordance with a schedule or formula. Such periodic percentage rate or rates may vary from time to time as the rate determined in accordance with such schedule or formula varies and such periodic percentage rate or rates, as so varied, may be made applicable to any or all outstanding and unpaid amounts of such loan on and after the effective date of such variation. This section shall not be construed to limit the authority of a bank to charge and collect interest in respect of a loan in the manner and at the rate or rates authorized in any other section of this subchapter (63 Del. Laws, c. 2, § 5.)

§ 965. Additional charges.

In addition to or in lieu of interest at a periodic percentage rate or rates permitted by §§ 963 and 964 of this subchapter, a bank may charge and collect, in respect of a loan:

(1) Loan fees, points, finders fees and other front-end and periodic charges; provided, however, that in the case of a loan to an individual borrower, no such front-end or periodic charge may be charged and collected unless the agreement governing, or the bond, note or other evidence of, the loan so provides;

(2) Reasonable fees for services rendered or for reimbursement of expenses incurred in good faith by the bank or its agents in connection with such loan, including, without limitation, commitment fees, official fees and taxes, premiums or other charges for any guarantee or insurance protecting the bank against the borrower's default or other credit loss, or costs incurred by reason of examination of title, inspection, recording and other formal acts necessary or appropriate to the security of the loan, filing fees, attorneys' fees, and travel expenses; provided, however, that in the case of a loan to an individual borrower, no such fee may be charged and collected unless the agreement governing, or the bond, note or other evidence of, the loan so provides (63 Del. Laws, c. 2, § 5.)
§ 966. Deferred installments.*

A bank may at any time or from time to time permit a borrower to defer installment payments of a loan and may, in connection with such deferral, charge and collect deferral charges and may also require payment by such borrower of the additional cost to the bank of premiums for continuing in force, until the end of such period of deferral, any insurance coverage provided in connection with the loan pursuant to § 967 of this subchapter. (63 Del. Laws, c. 2, § 5.)

§ 967. Insurance.*

(a) A bank may request but not require an individual borrower to be insured in respect of a loan under a life, health, accident, health and accident or other credit or other permissible insurance policy, whether group or individual, and in the event that a loan to an individual borrower is secured by an interest in real or personal property, the bank may require the borrower to obtain insurance, from an insurer acceptable to the bank, against loss of or damage to such property, or against the liability arising out of the ownership or use of the property and may finance the premiums for such insurance.

(b) In the case of a borrower borrowing for other than personal, household or family purposes, a bank may require the borrower to obtain insurance, from an insurer acceptable to the bank, under a life, health, accident, health and accident or other credit or other permissible insurance policy, whether group or individual, and in the event that the borrower's loan is secured by an interest in real or personal property, the bank may require the borrower to obtain insurance, from an insurer acceptable to the bank, against loss of or damage to such property, or against the liability arising out of the ownership or use of the property and may finance the premiums for such insurance.

(c) The offer and placement of insurance under this section shall be subject in all respects to the applicable provisions of Title 18 of this Code. (63 Del. Laws, c. 2, § 5.)

§ 968. Delinquent installments.*

If the agreement governing a loan so provides, a bank may, in the case of a non-individual borrower, charge a higher periodic percentage rate or rates of interest on outstanding unpaid installment payments or portions thereof under the loan which are in default, and, in the case of any borrower, impose a late or delinquency charge upon such installment payment or portion thereof; provided, however, that in the case of a loan to an individual borrower, no such late or delinquency charge may be charged or imposed unless the agreement governing, or the bond, note
or other evidence of, the loan so provides and that no more than one such late or delinquency charge may be imposed in respect of any single such installment payment or portion thereof regardless of the period during which it remains in default, and provided further, however, that for the purpose only of the proceeding proviso all payments by the borrower shall be deemed to be applied to satisfaction of installment payments in the order in which they become due. (63 Del. Laws, c. 2, § 5.)

§ 969. Prepayment.

(a) An individual borrower may prepay a loan in full at any time.

(b) If interest charged pursuant to § 963 of this subchapter in respect of a loan to an individual borrower has been precomputed and taken in advance, then, in the event of prepayment of the entire indebtedness, the bank shall refund to such borrower the unearned portion of the precomputed interest charge. This refund shall be in an amount not less than the amount which would be refunded if the unearned precomputed interest charge were calculated in accordance with the actuarial method, except that the borrower shall not be entitled to a refund which is less than five dollars. The unearned portion of the precomputed interest charge is, at the option of the bank, either:

(1) That portion of the precomputed interest charge which is allocable to all originally scheduled or, if deferred, all deferred payment periods, or portions thereof, ending subsequent to the date of prepayment. The unearned precomputed interest charge is the total of that which would have been earned for each such period, or portion thereof, had the loan not been precomputed, by applying to unpaid balances of principal, according to the actuarial method, an annual percentage rate based on the precomputed interest charges, assuming that all payments were made as scheduled, or as deferred, if deferred. The bank, at its option, may round this annual percentage rate to the nearest one-quarter of one percent; or

(2) The total precomputed interest charge less the earned precomputed interest charge. The earned precomputed interest charge shall be determined by applying an annual percentage rate based on the total precomputed interest charge, under the actuarial method, to the unpaid balances for the actual time those balances were unpaid up to the date of prepayment.

(c) As used in subsection (b) of this section:

(1) "Actuarial method" means the method of allocating payments made on a loan between the outstanding balance of the loan and interest pursuant to which a payment is applied first to the accumulated interest and any remainder is subtracted from the outstanding balance of the loan.
(2) "Precomputed interest charge" means interest as computed by the add-on, discount or other similar method.

(3) "Payment period" means the time period within which periodic installment payments of a loan are due as provided in the agreement governing, or the bond, note or other evidence of, the loan.

(d) If a charge was made to an individual borrower for premiums for insuring such borrower under an insurance policy pursuant to § 967 of this subchapter, then, in the event of prepayment, the bank shall refund to such borrower the excess of the charge to such borrower therefor over the premiums paid or payable to the bank, if such premiums were paid or payable by the bank periodically, or the refund for such insurance premium received or receivable by the bank, if such premium was paid or payable in a lump sum by the bank, provided that no such refund shall be required if it amounts to less than five dollars.

(e) In connection with any prepayment of any loan by an individual borrower, the bank may not impose any prepayment charge, except that in the case of a residential mortgage loan, the bank may charge and collect any prepayment penalty or charge specified in the agreement governing, or the bond, note or other evidence of, the loan.

(f) The terms of prepayment of any loan made to a borrower other than an individual borrower shall be as the bank and the borrower may agree. (63 Del. Laws, c. 2, § 5.)

§ 970. Refinancing.*

(a) An individual borrower may, with the consent of the bank, refinance the entire outstanding and unpaid amount of a loan, and the bank may charge and collect a refinancing charge in connection with any such refinancing.

(b) For the purposes of this section, the entire outstanding and unpaid amount of a loan shall be deemed to be:

(1) If the interest and charges in respect of the loan were not taken in advance, the total of the unpaid balance and the accrued and unpaid interest and charges on the date of refinancing; or

(2) If the interest and charges on the loan were precomputed and taken in advance, the amount which the borrower would have been required to pay upon prepayment on the date of refinancing pursuant to § 969 of this subchapter governing refund upon prepayment. (63 Del. Laws, c. 2, § 5.)

§ 971. Attorneys fees; collection costs.*

(a) In the event an individual borrower defaults under the terms of a loan and the bank refers such borrower's account to an attorney
(not a regularly salaried employee of the bank) for collection, the bank may, if the agreement governing, or the bond, note, or other evidence of, the loan so provides, charge and collect from the borrower a reasonable attorney's fee and, in addition, if the agreement governing, or the bond, note or other evidence of, the loan so provides, the bank may recover from the borrower all court and other collection costs actually incurred by the bank in connection with a collection proceeding. (63 Del. Laws, c. 2, § 5.)

§ 972. Loans to non-individual borrowers.

This subchapter shall not be deemed to prohibit a bank, in connection with a loan to other than an individual borrower, from:

(1) Extending or deferring the scheduled payment of all or any portion of any installment or installments payable under such loan;

(2) Permitting prepayment or refinancing of such loan in whole or in part;

(3) Charging and collecting any charges in connection with the matters referred to in paragraphs (1) and (2) of this section; or

(4) Charging and collecting late or delinquency charges, attorneys’ fees or collection charges. (63 Del. Laws, c. 2, § 5.)

§ 973. Applicability of other statutes.

The provisions of any other law of this State limiting the rate or amount of interest, discount, points, finance charges, service charges or other charges which may be charged, taken, collected, received or reserved shall not apply to extensions of credit made in accordance with this subchapter. (63 Del. Laws, c. 2, § 5.)

§ 974. Non-exclusivity; severability; captions.

(a) The provisions of this subchapter are not exclusive and a bank may at its option elect to extend credit either pursuant to this subchapter or as otherwise permitted by applicable law.

(b) If any provision of this subchapter is held invalid, such invalidity shall not affect any other provisions or applications of this subchapter which can be given effect without the invalid provision.

(c) Section headings and captions contained in this subchapter are inserted only as a matter of convenience and for reference and do not, and shall not be construed to, define, limit, extend or describe the scope of the provisions of this subchapter or the meaning or intent of any section hereof. (63 Del. Laws, c. 2, § 5.)
CHAPTER 11. TAXATION

Subchapter 1. Banks and Trust Companies
Having Capital Stock

§ 1101. Tax on net earnings.3

A franchise tax is hereby imposed on the net income of banks, trust companies and national banks. The net income on which such tax is imposed shall be that defined by the Federal Deposit Insurance Corporation (12 CFR 335) or other appropriate federal authority and reported to the State Bank Commissioner pursuant to § 904 of this title, reduced by interest income from obligations of the State and its political subdivisions, as well as any dividends and contributions to net income from subsidiaries and by the net income shown on the books of account of any non-United States branch office established pursuant to Section 771 of this chapter in the case of a bank or trust company or established pursuant to federal law in the case of a national bank, provided that at least 80 percent of the gross income of such non-United States branch office constitutes "income from sources without the United States" as defined under Section 862(a) of the Internal Revenue Code of 1954 as amended or any successor provisions thereto. (59 Del. Laws, c. 434, § 1; 63 Del. Laws, c. 2, § 6.)

§ 1102. Statement of net income to be filed.

For purposes of assessment, the president, cashier or treasurer of every bank, national bank and every trust company, shall, in each year, file with the December 31 call report, a true statement, verified by oath, setting forth the net income of such bank or trust company as defined in this chapter. (32 Del. Laws, c. 104, § 4; Code 1935, § 2318; 44 Del. Laws, c. 132, § 2; 5 Del. C. 1953, § 1103; 59 Del. Laws, c. 434, § 1.)

§ 1103. Determination, certification, notification and review of tax.

(a) The State Bank Commissioner shall, after the 31st day of January and prior to the 10th day of March in each year, ascertain from an inspection of the statements filed for December 31 in accordance with § 1102 of this title, and from any other sources of information which are open to him, the names and places of businesses of all banks and trust companies and national banks in this State, the amount of net income of each as defined in this chapter, and the amount of tax levied thereon in accordance with this chapter.

(b) The amount determined to be the tax levied as aforesaid shall, within 15 days after same has been determined, be certified by the State Bank Commissioner to each bank, trust company and national bank.
(c) The assessment shall be reviewed and corrected by the State Bank Commissioner upon application by any party interested, prior to the first day of May in the year in which the tax is levied, if, upon such application, good cause be shown for correction. (32 Del. Laws, c. 104, § 6; Code 1935, § 2320; 44 Del. Laws, c. 132, § 3; 5 Del. C. 1953, § 1105; 59 Del. Laws, c. 434, § 1; 61 Del. Laws, c. 82, §§ 2, 3.)

§ 1104. Date of payment and collection of tax.

Taxes imposed under this chapter are due and payable on or before the 1st day of June in the year in which they are assessed, and after that date shall be collected by the State Bank Commissioner, together with a penalty of 1 percent for each month or fraction of a month that the same remain unpaid after that date. (32 Del. Laws, c. 104, § 10; Code 1935, § 2324; 5 Del. C. 1953, § 1109; 59 Del. Laws, c. 434, § 1; 61 Del. Laws, c. 82, § 4.)

§ 1105. Rate of taxation.*

The rate of tax upon the net income as defined in this chapter of banks, trust companies and national banks shall be as follows: 8.7% of the amount of net income not in excess of $20,000,000; 6.7% of the amount of net income in excess of $20,000,000 but not in excess of $25,000,000; 4.7% of the amount of net income in excess of $25,000,000 but not in excess of $30,000,000; 2.7% of the amount of net income in excess of $30,000,000. (32 Del. Laws, c. 104, § 5; Code 1935, § 2319; 5 Del. C. 1953, § 1104; 59 Del. Laws, c. 434, § 1; 61 Del. Laws, c. 77, § 1; 63 Del. Laws, c. 2, § 7.)

§ 1106. Disposition of taxes.

All moneys collected or received under this chapter shall be the moneys of the State, and the State Bank Commissioner shall pay all amounts so collected and received into the General Fund of the State Treasury. (32 Del. Laws, c. 104, § 11; Code 1935, § 2325; 42 Del. Laws, c. 77, §§ 1, 2; 5 Del. C. 1953, § 1110; 59 Del. Laws, c. 434, § 1.)

§ 1107. Duties of Attorney General.

The Attorney General shall act as the legal representative of the State in all actions or proceedings had under this chapter, and shall render legal assistance to the State Bank Commissioner in executing the provisions hereof. (32 Del. Laws, c. 104, § 12; Code 1935, § 2326; 5 Del. C. 1953, § 1111; 59 Del. Laws, c. 434, § 1.)

§ 1108. State corporation income and other taxes; exemption.

Notwithstanding Title 30, all banks, trust companies and national banks being taxed in accordance with this chapter, shall be exempt from
the state corporation income tax as of January 1, 1974, and the taxation of income of banks, trust companies and national banks under this chapter shall be in lieu of occupational taxes or taxes upon the income, capital, and assets of such bank, except that no real estate owned or acquired by such bank or trust company shall be exempt from taxation. (59 Del. Laws, c. 434, § 1.)

§ 1109. Date of payment and collection of tax.

Taxes imposed under this subchapter are due and payable on or before the 1st day of October in the year in which they are assessed, and after that date shall be collected by the State Bank Commissioner (together with a penalty of 1 percent for each month or fraction of a month that the same shall remain unpaid after that date) by public sale of the stock affected to be made by the Commissioner at the principal place of business of the bank or trust company in this State, after giving the stockholder affected 30 days' notice of the amount of the tax and penalty and the time and place of sale. The notice shall be sent by registered letter addressed to the stockholder at his post-office address, as the same appears on the statement filed with the Commissioner. The Commissioner may also require any bank or trust company to withhold the payment of dividends to the stockholder affected and to pay such dividends, or so much thereof as may be necessary, to the Commissioner in payment of the tax and penalty. (32 Del. Laws, c. 104, § 10; Code 1935, § 2324; 5 Del. C. 1953, § 1109.)

§ 1110. Disposition of taxes.

All moneys collected or received under this subchapter shall be the moneys of the State, and the State Bank Commissioner shall settle for the same with the Auditor of Accounts and pay all amounts so collected and received into the General Fund of the State Treasurer. (32 Del. Laws, c. 104, § 11; Code 1935, § 2325; 42 Del. Laws, c. 77, §§ 1, 2; 5 Del. C. 1953, § 1110.)

§ 1111. Duties of Attorney General.

The Attorney General shall act as the legal representative of the State in all actions or proceedings had under this subchapter, and shall render legal assistance to the State Bank Commissioner in executing the provisions hereof. (32 Del. Laws, c. 104, § 12; Code 1935, § 2326; 5 Del. C. 1953, § 1111.)

§ 1112. Interpretation of taxing authority.

Nothing in this subchapter repeals, alters or modifies any other statute, or any provision of any other statute relative to taxation. (32 Del. Laws, c. 104, § 13; 32 Del. Laws, c. 105, § 1; Code 1935, § 2327; 5 Del. C. 1953, § 1112.)
§ 1121. Rate and collection of tax.

Every savings bank and savings society, not having capital stock outstanding, doing business in this State shall pay to the State for the privilege of carrying on its business in this State an annual tax, which shall be one-fifth of 1 percent of the aggregate amount of its surplus, undivided profits and/or interest, and reserves (excluding allocated reserves) as shown on its books as of the close of business June 30 of the year in and for which the statement is filed, if the aggregate of the surplus, undivided profits and/or interest, and reserves (excluding allocated reserves) shall exceed 10 percent of the average deposits for the 12-month period immediately preceding. Should the percentage be less than 10 percent, the tax shall be 2 cents upon every $100 of the amount of the average of the deposits held by it during the calendar year preceding the year in which the tax is levied and ascertained as hereinafter provided.

The State Bank Commissioner shall perform all the duties relative to the assessment and collection of the tax herein imposed. (32 Del. Laws, c. 106, §§ 1, 2; Code 1935, § 2328; 44 Del. Laws, c. 134, § 1; 5 Del. C. 1953, § 1121.)

§ 1122. Report to Commissioner.

Every savings bank and savings society liable to pay a tax under this subchapter shall on or before the 10th day of July in each year file with the State Bank Commissioner a written report upon blanks prepared and furnished by the Commissioner for that purpose, of the amount of the average of the deposits held by it during the calendar year preceding the year in which the report is filed, if the aggregate of surplus, undivided profits and/or interest, and reserves (excluding allocated reserves) is less than 10 per cent of the average deposits for the 12-month period immediately preceding June 30. Should the percentage be greater than above stated, the report to be filed with the Commissioner shall reveal the surplus, undivided profits and/or interest, and reserves (excluding allocated reserves) as shown by the books of the bank at the close of business June 30 of the year in and for which the statement is filed.

The report shall be verified by the oath of either the president, cashier, or treasurer of the savings bank or savings society. (32 Del. Laws, c. 106, § 3; Code 1935, § 2329; 44 Del. Laws, c. 134, § 2; 5 Del. C. 1953, § 1122.)

§ 1123. Determination of average amount of deposits.

The amount of the average of the deposits held by any savings bank or savings society not having capital stock during any calendar year shall
be determined by adding together the amounts of deposits held upon the last day of each calendar month during the year covered by the report and dividing the result thus obtained by 12, which result shall be taken to be the amount of the average of the deposits held by the savings bank or savings society during the year, and the last amount shall be the amount upon which shall be computed the tax due the State by the savings bank or savings society. (32 Del. Laws, c. 106, § 4; Code 1935, § 2330; 5 Del. C. 1953, § 1123.)

§ 1124. Determination by Commissioner of average amount of deposits.

In case any report required by § 1122 of this title shall be unsatisfactory to the State Bank Commissioner, or in case any such report is not made as herein required, then the Commissioner shall make an estimate of the amount of the average of the deposits held by the savings bank or savings society whose report was unsatisfactory or which had neglected to make any report by adding together the amount of deposits held by the savings bank or savings society as shown in each call report of the savings bank or savings society made to the Commissioner during the calendar year covered by the reports and dividing the result by the total number of call reports during the calendar year. The result thus obtained shall be taken as the amount of the average of the deposits held by the savings bank or savings society during the year, and shall be the amount upon which the tax herein imposed shall be computed. (32 Del. Laws, c. 106, § 5; Code 1935, § 2331; 5 Del. C. 1953, § 1124.)


The Commissioner shall notify each savings bank and savings society affected by this subchapter, after the 10th day of July and prior to the 1st day of August in each year, of the amount of the tax imposed under this subchapter on the savings bank or savings society. Any party interested may within 15 days after such notice apply to the Commissioner for a review of the tax assessed, and if on review it appears to the Commissioner that there was error in the determination of the tax, he shall correct the same in accordance with the facts and the law, and he shall certify his determination in the premises to the applicant without delay. (32 Del. Laws, c. 106, § 6; Code 1935, § 2332; 5 Del. C. 1953, § 1125.)

§ 1126. Date tax due and penalty for delinquent payment.

The tax imposed under this subchapter shall be payable to the State Bank Commissioner on or before the 1st day of October after notice thereof has been given by the Commissioner as prescribed in § 1125 of this title. If the tax is not paid on or before the 1st day of October in
the year in which it is imposed, the savings bank or savings society liable to pay the same shall pay to the Commissioner in addition to the amount of the tax a sum equal to 1 percent thereof, for each month or fraction of a month that the tax remains unpaid, which sum shall be added to the tax and paid or collected therewith. (32 Del. Laws, c. 105, § 7; Code 1935, § 2333; 5 Del. C. 1953, § 1126.)

§ 1127. Lien of tax and penalty; proceedings for collection.

The tax and the penalty for its nonpayment shall be a lien upon all the real and personal property of the savings bank or savings society liable to pay the same from the time it is payable until the same is paid in full, and may be collected by the State Bank Commissioner by distress and sale of any of the property, or he may sue for the same in a civil action. All proceedings for the collection of the tax and penalty shall be in the name of the State. (32 Del. Laws, c. 106, § 8; Code 1935, § 2334; 5 Del. C. 1953, § 1127.)

§ 1128. Duties of Attorney General.

The Attorney General shall act as the legal representative of the State in all actions or proceedings had under this subchapter, and shall render assistance to the State Bank Commissioner in executing the provisions hereof. (32 Del. Laws, c. 106, § 9; Code 1935, § 2335; 5 Del. C. 1953, § 1128.)