

VIRGINIA ACTS OF ASSEMBLY -- 2012 SESSION

CHAPTER 59

An Act to amend and reenact § 6.2-872 of the Code of Virginia, relating to banks; authority to hold real estate acquired in satisfaction of previously contracted debt.

[H 708]

Approved March 1, 2012

Be it enacted by the General Assembly of Virginia:

1. That § 6.2-872 of the Code of Virginia is amended and reenacted as follows:

§ 6.2-872. For what purpose banks may purchase, hold, and convey real estate.

A. In addition to the authority provided in § 6.2-873, every bank incorporated under the laws of the Commonwealth may purchase, hold, and convey the following real estate for the purposes stated and for no other:

1. Real estate that is desirable and prudent for its present or future accommodation in the transaction of its business;

2. Real estate that is mortgaged or otherwise encumbered to it in good faith by way of security for debts contracted;

3. Real estate that is conveyed to it in satisfaction of debts previously contracted in the course of its dealings; and

4. Real estate it purchased at sales under judgments, decrees, mortgages, or deeds of trust held by it, in whole or in part, or purchased to secure debts due to it. ~~No bank shall possess any real estate that is encumbered by a mortgage or other encumbrance, or hold the title to and possess any real estate conveyed to it in satisfaction of debt or purchased by it for the protection of obligations secured thereby, for a longer period than 10 years without the written approval of the Commission. If within such 10-year period, a bank shall have reduced upon its books the asset value of such mortgage, deed of trust, or real estate to the nominal sum of one dollar, it may thereafter continue to hold and own the same indefinitely without the approval of the Commission.~~

B. Nothing in this section shall affect the validity of the title to any such real estate conveyed or transferred by a bank.