

and without regard to said 50 mile limit, but secured by first lien thereon. Any portion of the assets of the association may be invested in obligations of the United States or in the stock or bonds of a Federal Reserve Bank. No loan shall be made to an officer, director, or employee upon the security of a first lien upon real estate except for the bona fide financing of the home of such officer, director, or employee. The association may invest an amount not exceeding the total amount of its undivided profits and reserve accounts in real estate for its home office or a home office used for rental. No loan shall be made upon the security of a lien of real estate except after the written signed appraisal of at least two persons selected by the board of directors of the property upon which the loan is to be made. The association may lend not exceeding 75 percent of the value upon the security of a home or a combination home and business property and not exceeding 50 percent upon the security of other improved real estate.

12. Loans on real estate shall be made by the association repayable in monthly installments sufficient to amortize the same, paying off interest and principal in not less than 5 years nor more than 20 years. The association may take a note, bond or other instrument, legally sufficient in the territory where it is operated, to represent the indebtedness of the borrower, which shall require a monthly payment sufficient to amortize the debt in said period and said payments shall be applied first to the interest on the unpaid balance of the debt and the remainder to the unpaid principal of the debt until the same is paid in full. Instead of such direct reduction loan, the association may require the borrower to subscribe an amount of shares equal to the amount of the loan and take a note, bond, or other instrument to mature upon the maturity of such account and require a monthly payment sufficient to pay all interest on the debt and estimated to mature said share account within the time specified and in such case the association shall have a lien on such share account to secure the debt, and upon the maturity of the share account shall transfer the amount of the credit of the shares in extinguishment of the debt and cancel the security. The primary obligation shall be secured by a mortgage or other instrument constituting a first lien upon the premises securing the loan according to the best practices of the territory where the loan is made. Such loans may be paid off before maturity with interest not exceeding 90 days beyond the date of payment. It may make such charges for the use of its money or for the privilege of an advance or both as are permitted by special or general law of the State where it is located to be made by building and loan associations, ^{sharing and loan associations} cooperative banks, or similar institutions; such charges, however, shall not exceed those permitted under sections 4 and 5 of the Federal Loan Bank Act. Loans on the sole security of the shares may be made in such form as the board of directors may determine and at an interest rate legal within the State. The Association shall ascertain the total charges paid by the borrower, other than for the use of the money or for the privilege of an advance, and shall make and keep a record of the same, and shall also make and keep a record of expenses incurred by the association in connection with the making of loans.
13. The association shall be economically organized and operated and no expense shall be incurred except such as is customary in the operation of properly managed local thrift and home