pany could make a "straight" loan for five years, it certainly would have authority to require that part of it should be paid in less than five years.

FINANCIAL INSTITUTIONS, DEPARTMENT OF: Whether Savings and Loan Associations may make amortized loans repayable on a quarterly or semi-annual basis.

February 21, 1939.

Hon. Ross H. Wallace, Director,
Department of Financial Institutions,
Indianapolis, Indiana.

Dear Sir:

I have before me your letter in which you state that you would like to be advised as to whether savings and loan associations may make amortized loans on a quarterly or semi-annual basis. The question implied in the foregoing requires a consideration of section 273(b) of The Indiana Financial Institutions Act, as amended in 1937, Acts of 1937, page 205, which provides as follows:

"Sec. 273. Subject to the provisions of this Act, any association may invest the funds received by it in the following, but in no other manner:

"** * ** (b) In loans to its members upon their notes or other evidences of indebtedness secured by a first lien upon improved real estate, or upon real estate to be improved with the proceeds of the loan. Such loans shall be made in either of the following forms:

"(1) Share reducing amortized loans wherein the primary obligation evidencing the same requires the borrower to subscribe for shares of the association having a par value equal to the principal of the loan and to pledge such shares as additional security for payment of the loan and to make weekly or monthly payments sufficient to pay the interest and other charges on the loan and mature the shares so pledged in not more than fifteen years from the date of the loan. The shares so pledged shall be matured and retired and the proceeds therefrom applied to the payment of the loan in the manner provided in section 271 of the Act of which this Act is amendatory."
“(2) Direct reduction loans not secured by the pledge of shares, which are repayable in weekly or monthly installments sufficient to pay the interest and other charges and amortize the principal of the loan in not more than fifteen years from the date thereof. All payments made upon such loans shall be applied first to interest and other charges and the remainder to the reduction of the principal of the loan.

“(3) Straight loans which are repayable on or before five years from the date thereof, without amortization of principal, but with interest payable at least semi-annually.” (Our italics.)

The italicized language seems to require a weekly or monthly payment. However, I do not think that a quarterly or semi-annual application of the payment would be invalid provided the weekly or monthly payments during each of the three months or six months prior thereto otherwise comply with the statute as to being equal.

LABOR, DIVISION OF: Extra compensation for work done in excess of eight hours pursuant to Burns 1933, 40-401.

February 23, 1939.

Hon. William J. Curtin,
Assistant Labor Commissioner,
State House,
Indianapolis, Indiana.

Dear Mr. Curtin:

I have your letter of February 13, 1939, in which you refer to section 40-401, Burns, 1933, and state: “We are especially desirous of knowing whether or not this Act permits an employer to work an employee over eight hours without paying extra compensation in addition to the regular hourly rate.”

The Act in question specifically provides that the employer and employee may agree upon extra compensation for work done in excess of eight hours. Whatever compensation is agreed upon between the parties fulfills the requirements of the statute as to extra work.