§ 964. Deposit and delivery of conditional tax receipts. 1. Immediately upon the execution of the loan contract between the taxpayer and the loan corporation, the loan corporation shall pay to the municipal corporation the moneys provided for therein. The taxpayer shall make payments on the loan to the banking institution with which the conditional tax receipt has been deposited for the account of the loan corporation.

2. When made, such payments shall be entered and acknowledged by the banking institution upon the conditional tax receipt, which receipt shall remain in the possession of the banking institution until either the loan is fully discharged or a default occurs thereon. In the event the loan is fully discharged, the conditional tax receipt shall be endorsed "paid" and delivered to the taxpayer or person making the payment. In the event of default, the conditional tax receipt shall be returned to the loan corporation at its option.