

15E.139 Loan to the corporation by members.

Each member of the corporation may make loans to the corporation as and when called upon by the corporation to do so on terms and conditions as shall be approved from time to time by the board subject to the following:

1. All loan limits shall be established at the thousand dollar amount nearest the amount computed in accordance with this section.
2. A loan to the corporation shall not be made if immediately thereafter the total amount of the obligations of the corporation calling for the loan would exceed ten times the amount then paid in on the outstanding capital stock of the corporation.
3. The total amount outstanding at any one time on loans to the corporation made by a member of the corporation when added to the amount of the investment in the capital stock of the corporation held by the member, shall not exceed the lesser of:
 - a. Twenty percent of the total amount then outstanding on loans to the corporation by all members, including in that total amount outstanding amounts validly called for loan but not yet loaned.
 - b. The limit, to be determined as of the time the member becomes a member, on the basis of the audited balance sheet of the member at the close of its fiscal year immediately preceding its application for membership, as follows:
 - (1) Banks and trust companies five percent of the paid- in capital, surplus, and undivided profits.
 - (2) Savings and loan associations two percent of the general reserve account, surplus and undivided profits.
 - (3) Stock life insurance companies one percent of capital and unassigned surplus.
 - (4) Mutual life insurance companies one percent of the unassigned surplus.
 - (5) All other insurance companies one-tenth of one percent of the assets.
 - (6) Other financial institutions such limits as may be approved by the board of the business development finance corporation.
4. Each call for loan shall be prorated among the members in substantially the same proportion that the adjusted loan limit of each member bears to the aggregate of the adjusted loan limits of all members. The adjusted loan limit of a member shall be the amount of the member's loan limit, reduced by the balance of outstanding obligations of the corporation to the member and the investment in capital stock of the corporation held by the member at the time of the call.
5. All loans to the corporation by a member shall be evidenced by registered bonds, debentures, notes, or other evidences of indebtedness of the corporation, which shall be freely transferable by the registered holder thereof on the books of the corporation.

88 Acts, ch 1207, §9

C89, § 28.139

C93, § 15E.139