

524.612 Director dealing with state bank.

1. Subject to the provisions of section 524.904, a director of a state bank may receive loans and extensions of credit from a state bank of which the person is a director. A majority of the board of directors, voting in the absence of the applying director, shall give its prior approval to such loans and extensions of credit. Approval shall be recorded in the minutes.

2. A director shall not be permitted to receive any loan or extension of credit or use any property of a state bank of which the person is a director at a lower rate of interest or on terms which are more favorable than the terms offered to other customers under similar circumstances.

3. A director shall not receive terms or be paid a rate of interest on deposits, by a state bank of which the person is a director, which are more favorable than that provided to any other customer under similar circumstances.

4. A director shall not purchase or lease any assets from or sell or lease any assets to a state bank of which the person is a director except upon terms not less favorable to the state bank than those offered to or by other persons. All purchases or leases from and sales or leases to a director shall receive the prior approval of a majority of the board of directors voting in the absence of the interested director.

5. For the purpose of this section and section 524.706, loans and extensions of credit, as defined in section 524.904, to the spouse of a director or officer, other than a spouse who is legally separated from the director or officer under a decree of divorce or separate maintenance, or to minor children of a director or officer to the state bank in which the person is a director or officer, are considered loans and extensions of credit of such director or officer. However, loans and extensions of credit of a spouse are not considered loans and extensions of credit of the director or officer if all of the following apply:

a. Assets and liabilities of a director or officer are not included in the financial statement of the spouse and are not otherwise relied upon as a basis for loans or extensions of credit to the spouse.

b. The guarantee of a director or officer is not relied upon as a basis for loans or extensions of credit to the spouse.

c. The proceeds of the loans and extensions of credit to the spouse are not intermingled with or used for a common purpose with the proceeds of loans and extensions of credit to the director or officer.

[C97, §1869; S13, §1869; C24, 27, 31, 35, 39, §9220; C46, 50, 54, 58, 62, 66, §528.6; C71, 73, 75, 77, 79, 81, §524.612]

91 Acts, ch 14, §1; 95 Acts, ch 148, §68