

524.1103 Exceptions.

1. The provisions of section 524.1102 shall not apply to any affiliate:

a. Engaged solely in holding or operating real estate used wholly or substantially by the state bank in its operations or acquired for its future use.

b. Engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation eligible to discount loans with a farm credit bank.

c. Engaged solely in holding obligations of the United States, the farm credit banks, the federal home loan banks, or obligations fully guaranteed by the United States as to principal and interest.

d. Where the affiliate relationship has arisen as a result of shares acquired in satisfaction of a bona fide debt contracted prior to the date of the creation of such relationship provided that such shares shall be sold at public or private sale within one year from the date of the creation of the relationship, unless the time is extended by the superintendent.

e. Where the affiliate relationship exists by reason of the ownership or control of any voting shares thereof by a state bank as executor, administrator, trustee, receiver, agent, depository, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the shareholders of such state bank.

f. Which is a bank.

g. Which is an operations subsidiary or other subsidiary in which the state bank owns or controls eighty percent or more of the voting shares. However, an operations subsidiary shall not conduct any activity at any location where the state bank itself would not be permitted to conduct that activity without the prior approval of the superintendent.

2. a. The superintendent may, in the superintendent's discretion, by regulation or order, exempt transactions or relationships from the requirements of section 524.1102 if the superintendent finds such exemptions to be in the public interest and consistent with the purposes of section 524.1102.

b. A state bank may request an exemption from the requirements of section 524.1102 by submitting a written request to the superintendent including all of the following:

(1) A detailed description of the transaction or relationship for which the state bank seeks an exemption.

(2) A statement of the reasons for exemption of the transaction or relationship.

(3) An explanation of how the exemption would be in the public interest and consistent with the purposes of section 524.1102.

[C71, 73, 75, 77, 79, 81, §524.1103]

89 Acts, ch 257, §21, 22; 95 Acts, ch 148, §94; 2012 Acts, ch 1017, §21