

504.834 Loans to or guarantees for directors and officers.

1. A corporation shall not lend money to or guarantee the obligation of a director or officer of the corporation.

2. [This section](#) does not apply to the situation where the director or officer is a full-time employee of the corporation and involves any of the following:

a. An advance to pay reimbursable expenses reasonably expected to be incurred by a director or officer.

b. An advance to pay premiums on a policy of life insurance if the advance is secured by the policy's death benefit proceeds or cash surrender value, or both.

c. Advances pursuant to [part 5 of this subchapter](#).

d. Loans or advances pursuant to employee benefit plans.

e. A loan secured by the principal residence of an officer.

f. A loan to pay relocation expenses of an officer.

3. The fact that a loan or guarantee is made in violation of [this section](#) does not affect the borrower's liability on the loan.

[2004 Acts, ch 1049, §93, 192; 2015 Acts, ch 45, §10; 2016 Acts, ch 1073, §141](#)

Subsection 2, paragraph c amended