

CHAPTER 1213

STATE BANK LOANS TO OFFICERS

H. F. 1367

AN ACT relating to loans by a state bank to its officers.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred twenty-four point seven hundred six
2 (524.706), subsection one (1), Code 1975, is amended to read as follows:

3 1. a. An executive officer of a state bank may receive loans or extensions of
4 credit from a state bank of which he is an executive officer, resulting in
5 obligations as defined in subsection 1 of section 524.904, not exceeding ~~thirty~~
6 ~~thousand dollars~~, in the aggregate:

7 (1) Such amount as the bank is permitted to lend pursuant to subsection two (2) of
8 section five hundred twenty-four point nine hundred five (524.905) of the Code, if, at
9 the time such obligation is incurred, it is secured by a first lien on a dwelling
10 which is expected, after the obligation is incurred, to be owned by the executive
11 officer and used by him as his residence, ~~and such~~ provided that at the time the
12 loan is made there is no other loan by the bank to the executive officer, under
13 authority of this subparagraph, outstanding; and

14 (2) An amount not exceeding an aggregate of ten thousand dollars outstanding at
15 any one time, to finance the education of a child or children of the executive officer;
16 and

17 (3) Any other loans or extensions of credit which in aggregate do not at any one
18 time exceed five thousand dollars ~~provided, however, a~~.

19 b. A state bank shall not loan money or extend credit to an executive officer of
20 such state bank, nor shall an executive officer of a state bank receive a loan or
21 extension of credit from such state bank, exceeding the limitations imposed by
22 this section or for a purpose other than that authorized by this section; ~~and,~~
23 ~~provided further, such.~~ Such loans or extensions of credit shall not exceed an
24 amount totaling more than twenty percent of the capital and surplus of the state
25 bank and any such loan on real property shall comply with section 524.905. A
26 majority of the board of directors, voting in the absence of the applying officer,
27 whether or not he is also a director, shall give its prior approval to any obligation
28 of an executive officer to the state bank of which he is an executive officer. The
29 form of approval shall be specified by the superintendent, and a copy recorded in
30 the minutes of the board of directors.

1 SEC. 2. Section five hundred twenty-four point seven hundred six (524.706),
2 subsection one (1), Code 1975, is amended by adding the following new
3 paragraph:

4 NEW PARAGRAPH. For the purposes of this subsection, the term "executive
5 officer" means every officer of a state bank who participates or has authority to
6 participate, otherwise than in the capacity of a director, in major policymaking
7 functions of the bank, regardless of whether he has an official title or whether his
8 title contains a designation of assistant and regardless of whether he is serving
9 without salary or other compensation. The chairman of the board, the president,
10 every vice president, the cashier, secretary, and treasurer of a state bank are
11 assumed to be executive officers, unless, by resolution of the board of directors or
12 by the bank's bylaws, but subject to contrary notice by the superintendent as

13 provided in section seven hundred four (704) of this chapter, any such officer
 14 is excluded from participation in major policymaking functions, otherwise than in
 15 the capacity of a director of the bank, and he does not actually participate
 16 therein.

Approved April 2, 1976

CHAPTER 1214

SATELLITE BANKING

H. F. 1478

AN ACT regulating the establishment and use of electronic fund transfer systems maintained off the premises of the principal places of business and offices of financial institutions, and establishing the numbers and locations of offices and electronic fund consumer terminals.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

1 SECTION 1. Acts of the Sixty-sixth General Assembly, 1975 Session, Chapter
 2 two hundred forty (240), section four (4), amending chapter five hundred twenty-
 3 four (524), Code 1975, is amended to read as follows:

4 Sec. 4. Chapter five hundred twenty-four (524), Code 1975, is amended by
 5 adding to division eight (VIII) the following new section:

6 **NEW SECTION. Electronic transmission of funds—restrictions.**

7 1. A state bank may engage in any transaction incidental to the conduct of the
 8 business of banking and otherwise permitted by applicable law, by means of
 9 either the direct transmission of electronic impulses to or from customers and
 10 banks or the recording of electronic impulses or other indicia of a transaction for
 11 delayed transmission to a bank. Subject to the provisions of ~~sections eight (8)~~
 12 ~~through twelve (12) division II~~ of this Act*, a state bank may utilize, establish or
 13 operate, alone or with one or more other banks, savings and loan associations
 14 incorporated under the provisions of chapter five hundred thirty-four (534) of the
 15 Code or the Home Owners' Loan Act of 1933 (12 U.S.C. sections 1461-1468),
 16 credit unions incorporated under the provisions of chapter five hundred thirty-
 17 three (533) of the Code or the Federal Credit Union Act (12 U.S.C. sections 1751-
 18 1790), or third parties, ~~terminals or other facilities adaptable to shared usage~~ *the*
 19 *satellite terminals permitted under division two (II) of this Act*, by means of which
 20 customers and banks may transmit and receive electronic impulses constituting
 21 transactions pursuant to this section. *However, such utilization, establishment, or*
 22 *operation shall be lawful only when in compliance with division II of this Act. No*
 23 ~~terminal or other facility utilized pursuant to this section shall be designed in such~~
 24 ~~a manner as to be capable of providing a user thereof, other than a bank, with~~
 25 ~~information concerning the account of any person with the bank, unless such~~
 26 ~~information is essential to complete or prevent the completion of the transaction~~
 27 ~~then being engaged in through the use of that terminal or facility.~~ Nothing in this
 28 section shall be construed as authority for any person to engage in transactions
 29 not otherwise permitted by applicable law, nor shall anything in this section be
 30 deemed to repeal, replace or in any other way affect any applicable law or rule
 31 regarding the maintenance of or access to financial information maintained by
 32 any bank.

33 2. A state bank which offers its customers, or any of them, the opportunity to
 34 engage in transactions with or through the bank in the manner authorized by

*This reference to 66 G.A., Ch 240, probably was intended to be to division II hereof