

17-2216a. Loans to directors or members of credit or supervisory committees; conditions. Subject to rules and regulations of the administrator, a credit union may make loans to its directors, credit committee members and supervisory committee members or other members for which the director or committee member acts as guarantor or endorser who are not employees only if:

(a) Such a loan complies with all lawful requirements under the credit union law with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers;

(b) in the case where, upon the making of the loan, the aggregate of loans outstanding to the borrower exceeds by \$50,000 the total amount of shares, share certificates and other shareholdings in any credit union, not otherwise encumbered or pledged, which are pledged as security for the loans of the borrower, the loan is approved by the credit committee or duly authorized loan officer and the board of directors; and

(c) the borrower takes no part in the consideration of the application and does not attend any committee or board meeting while the application is under consideration. All such loans shall be reported to the administrator at least annually.

History: L. 1976, ch. 108, § 2; L. 1981, ch. 101, § 6; L. 1983, ch. 83, § 3; L. 1992, ch. 225, § 8; L. 1997, ch. 5, § 2; L. 2013, ch. 41, § 2; July 1.