

(A) IN GENERAL.

UNLESS THE LOAN IS APPROVED OR EXEMPTED FROM APPROVAL AS PROVIDED IN THIS SECTION, THE FOLLOWING PERSONS MAY NOT BORROW, DIRECTLY OR INDIRECTLY, ANY MONEY FROM A COMMERCIAL BANK:

(1) ANY DIRECTOR, OFFICER, OR EMPLOYEE OF THE COMMERCIAL BANK;

(2) ANY PARTNERSHIP OF WHICH THE DIRECTOR, OFFICER, OR EMPLOYEE IS A MEMBER; OR

(3) ANY CORPORATION IN WHICH THE DIRECTOR, OFFICER, OR EMPLOYEE IS AN OFFICER OR OWNS THE MAJORITY INTEREST.

(B) EXCEPTION AS TO DIRECTORS.

(1) IN THIS SUBSECTION, "COMMERCIAL LOAN" MEANS A LOAN THAT IS MADE:

(I) SOLELY TO ACQUIRE OR CARRY ON A BUSINESS OR COMMERCIAL ENTERPRISE; OR

(II) TO ANY BUSINESS OR COMMERCIAL ORGANIZATION.

(2) THIS SECTION DOES NOT REQUIRE APPROVAL OF A COMMERCIAL LOAN THAT IS MADE TO:

(I) A DIRECTOR OF THE COMMERCIAL BANK, UNLESS THE DIRECTOR ALSO IS AN OFFICER OR EMPLOYEE OF THE COMMERCIAL BANK;

(II) A PARTNERSHIP OF WHICH THE DIRECTOR IS A MEMBER, UNLESS AN OFFICER OR EMPLOYEE OF THE COMMERCIAL BANK ALSO IS A MEMBER OF THAT PARTNERSHIP; OR

(III) A CORPORATION IN WHICH THE DIRECTOR HOLDS ANY INTEREST, UNLESS AN OFFICER OR EMPLOYEE OF THE COMMERCIAL BANK IS AN OFFICER OR OWNS THE MAJORITY INTEREST IN THAT CORPORATION.

(C) REQUIRED APPROVAL.

(1) A LOAN TO A DIRECTOR, OFFICER, OR EMPLOYEE OF A COMMERCIAL BANK MAY BE MADE ONLY IF THE LOAN HAS BEEN APPROVED BY A RESOLUTION ADOPTED AT AND RECORDED IN THE MINUTES OF A MEETING OF:

(I) THE BOARD OF DIRECTORS OF THE COMMERCIAL BANK; OR

(II) THE EXECUTIVE COMMITTEE OF THE COMMERCIAL BANK, IF THAT COMMITTEE IS AUTHORIZED TO MAKE