

(I) ANY OFFICER OR DIRECTOR OF THE ASSOCIATION; OR

(II) ANY CORPORATION OR BUSINESS IN WHICH AN INTEREST OF 10 PERCENT OR MORE IS OWNED BY AN OFFICER OR DIRECTOR OF THE ASSOCIATION, OR MEMBER OF THE IMMEDIATE FAMILY OF AN OFFICER OR DIRECTOR.

(B) EXCEPTIONS TO PROHIBITION.

A LOAN IS NOT PROHIBITED BY SUBSECTION (A) OF THIS SECTION IF THE LOAN IS:

(1) SECURED BY THE BORROWER'S:

(I) PRINCIPAL RESIDENCE; OR

(II) SAVINGS ACCOUNTS IN THE ASSOCIATION, PROVIDED THAT A LOAN SECURED BY A SAVINGS ACCOUNT MAY NOT BE MORE THAN THE WITHDRAWAL VALUE OF THE ACCOUNT; OR

(2) (I) APPROVED BY A TWO-THIRDS VOTE OF THE BOARD OF DIRECTORS, ANY INTERESTED DIRECTOR TAKING NO PART IN THE VOTE;

(II) APPROVED BY THE DIVISION DIRECTOR;
AND

(III) SECURED BY COLLATERAL APPRAISED BY A DISINTERESTED APPRAISER APPROVED BY THE DIVISION DIRECTOR.

(C) SAVINGS ACCOUNTS.

AN OFFICER OR DIRECTOR OF A SAVINGS AND LOAN ASSOCIATION MAY NOT DIRECTLY OR INDIRECTLY BUY AT LESS THAN FACE VALUE ANY INTEREST IN A SAVINGS ACCOUNT ISSUED BY THE ASSOCIATION.

COMMITTEE COMMENT: This section replaces former Art. 23, § 161W.

In this section, the former inclusion of "employee" was deleted as unnecessary to normal business relationships and conflict of interest standards.

Subsection (a)(1) of this section is a new provision to delineate those who are considered a member of the family under this section.

In subsection (a)(2) of this section, the phrase "directly or indirectly" is added for clarity.

In subsection (b)(1)(i) of this section, the phrase "principal residence" is substituted for "home" as the presumed legislative intent since otherwise "home" could include a vacation cottage.