

(I) MAY NOT EXCEED 80 PERCENT OF THE APPRAISED VALUE OF THE BORROWER'S PRINCIPAL RESIDENCE; OR

(II) MAY EXCEED 80 PERCENT OF THE APPRAISED VALUE IF:

1. THE DIFFERENCE BETWEEN THAT PERCENTAGE AND THE TOTAL AMOUNT OF THE LOAN OR LOANS DO NOT EXCEED 15 PERCENT; AND

2. THE DIFFERENCE IS INSURED BY AN AGENCY OF THE FEDERAL GOVERNMENT OR A PRIVATE MORTGAGE INSURANCE COMPANY.

(4) ANY LOAN PERMITTED BY PARAGRAPHS (1) AND (2) OF THIS SECTION SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS:

(I) THE LOANS SHALL BE IN THE ORDINARY COURSE OF BUSINESS OF THE ASSOCIATION OR SUBSIDIARY, MAY NOT INVOLVE MORE THAN THE NORMAL RISK OF COLLECTIBILITY OR PRESENT OTHER UNFAVORABLE FEATURES, AND MAY NOT EXCEED THE LOAN AMOUNT THAT WOULD BE AVAILABLE TO MEMBERS OF THE GENERAL PUBLIC OF SIMILAR CREDIT STATUS APPLYING FOR LOANS;

(II) THE LOANS SHALL BE APPROVED IN ADVANCE BY A RESOLUTION DULY ADOPTED AFTER FULL DISCLOSURE BY AT LEAST A MAJORITY OF THE ENTIRE BOARD OF DIRECTORS OF THE ASSOCIATION, BUT NOT INCLUDING ANY DIRECTOR WHO HAS AN INTEREST IN THE LOAN TRANSACTION;

(III) THE DISCLOSURE OF THE LOAN TRANSACTIONS SHALL INCLUDE WHETHER THE LOAN IS MADE ON SUBSTANTIALLY THE SAME TERMS, INCLUDING INTEREST RATE AND COLLATERAL, AS THOSE PREVAILING AT THE TIME FOR COMPARABLE LOANS TO MEMBERS OF THE GENERAL PUBLIC;

(IV) THE INTEREST RATE ON THE LOANS SHALL BE AT LEAST 100 BASIS POINTS ABOVE THE CURRENT COST OF FUNDS OF THE ASSOCIATION, AND THE RESOLUTION REQUIRED BY SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL SET FORTH THE ASSOCIATION'S CURRENT COST OF FUNDS, INCLUDING THE ELEMENTS OF ITS COMPUTATION; AND

(V) IN THE CASE OF A LOAN SECURED BY A SAVINGS ACCOUNT, THE INTEREST RATE SHALL BE AT LEAST 100 BASIS POINTS ABOVE THE RATE OF RETURN ON THE SAVINGS ACCOUNT, AND THE BORROWER MAY NOT WITHDRAW FUNDS FROM THE ACCOUNT BELOW THE LEVEL OF THE AMOUNT OF THE OUTSTANDING BALANCE OF THE LOAN.

(E) PROCURING LOANS.

(1) A CONTROLLING PERSON, DIRECTOR, OFFICER, EMPLOYEE, OR AGENT OF A SAVINGS AND LOAN ASSOCIATION, OR A MEMBER OF ANY OF THEIR IMMEDIATE FAMILIES, DIRECTLY OR INDIRECTLY MAY NOT ASSENT TO RECEIVE, OR RECEIVE ANY MONEY OR OTHER PROPERTY OF VALUE AS A FEE, COMMISSION, GIFT, OR REMUNERATION OF ANY TYPE