

## EXECUTIVE ORDERS

parent subsidiary or affiliate for the purpose of frustrating or avoiding any prohibition in these regulations. No such loan shall be made unless secured by adequate security and approved by the Director. "Adequate security" shall mean property in which the equity interest of the parent, subsidiary or affiliate exceeds the amount of the loan by at least 20%, as determined by a disinterested appraiser.

- (10) Total cumulative loans by an association to subsidiaries, affiliates and service corporations cannot exceed the loan to one borrower limit of regulation .30.
- (11) No loan may be made to a parent, subsidiary, affiliate, officer, director, employee, controlling person, or business, corporation or other entity in which an interest of 10% or more is owned by such officer, director or controlling person on terms more favorable than similar loans are made by the association to unaffiliated persons in the regular course of business.
- (12) (a) No association, parent, subsidiary or affiliate may, directly or indirectly, purchase or lease from, jointly own with, sell or lease to, an officer, director, controlling person, member of his or her immediate family or corporation, business or other entity in which an interest of 10% or more is owned by such officer, director, controlling person or member of his or her immediate family, or any parent, subsidiary or affiliate, any interest in real or personal property unless the transaction is determined by the Director to be fair to, and in the best interest of, the association, parent, subsidiary, or affiliate.
  - (b) Conditions. Transactions permitted under paragraph (a) shall--
    - (i) receive prior written approval of the Director indicating that the terms of such transactions are fair to, and in the best interests of, the association, parent, subsidiary, or affiliate;
    - (ii) be supported by an independent appraisal; and