

286.5-511 Priority of members for loans -- Investments -- Compensation for loans prohibited -- Loan statement.

- (1) Money accumulated after making allowances for necessary proper expenses and for withdrawal of shares, shall at each monthly or weekly meeting be offered to members according to their priority or right to a loan as fixed by the bylaws. The bylaws may restrict the maximum amount of loan to which members are entitled. Each member whose application for a loan has been approved shall be entitled, upon giving proper security and complying with the bylaws, to receive a loan equal to the par value of such share or fractional share held by him, or such part as the bylaws allow.
- (2) If a balance of money remains after the weekly or monthly loans are granted, the directors may invest the balance in securities in which banks are now permitted to invest.
- (3) Any association may subscribe for and invest their funds in the stock of any home loan bank in such amounts and upon such terms as are permitted by the laws and regulations governing the bank. Any association may exchange any real estate, real estate mortgage notes, bonds, or any other investments or securities held by them for the bonds of the United States, taking the bonds at part in lieu of cash, and may take the bonds at their face value in reduction or in payment of indebtedness due to any savings and loan association, or in payment for, or on account of, the purchase price on a sale or transfer of any property, investment, or asset of the savings and loan association.
- (4) No director, officer, or employee of an association shall receive any fee or other compensation of any kind in connection with procuring any loan for an association, except for services actually rendered as above provided.
- (5) The association shall furnish a loan settlement statement to each borrower upon the closing of the loan, indicating in detail the charges and fees the borrower has paid or obligated himself to pay to the association or to any other person in connection with the loan. A copy of the statement shall be retained in the records of the association.

Effective: June 18, 1964

History: Amended 1966 Ky. Acts ch. 255, sec. 232. -- Created 1964 Ky. Acts ch. 138, sec. 32, effective June 18, 1964.

Formerly codified as KRS 289.511.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.