

286.5-521 Limits on power to borrow money.

- (1) If an association is not a member of a federal home loan bank, it may borrow money, but not more than an aggregate amount equal to one-fourth (1/4) of its savings liability on the date of borrowing.
- (2) If an association is a member of a federal home loan bank, it may secure advances of not more than an aggregate amount equal to one-half (1/2) of its savings liability; within an amount equal to one-half (1/2) of its savings liability, the association may borrow from sources other than such federal home loan bank, an aggregate amount not in excess of ten percent (10%) of its savings liability.
- (3) A subsequent reduction of savings liability shall not affect in any way outstanding obligations for borrowed money.
- (4) All such loans and advances may be secured by property of the association.

Effective: June 18, 1964

History: Created 1964 Ky. Acts ch. 138, sec. 34, effective June 18, 1964.

Formerly codified as KRS 289.521.

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.