

286.5-225 Loan to director, officer, employee, or attorney prohibited -- Exceptions.

A state savings and loan association may not make a real estate loan to a director, officer, or employee of the association, or to any attorney or firm of attorneys regularly serving the association in the capacity of attorney-at-law, or to any partnership in which any such director, officer, employee, attorney, or firm of attorneys has any interest, and no real estate loan shall be made to any corporation in which any of such parties are stockholders, except that with the prior approval of its board of directors a real estate loan may be made to a corporation in which no such party owns more than fifteen percent (15%) of the total outstanding stock and in which the stock owned by all such parties does not exceed twenty-five percent (25%) of the total outstanding stock: provided, that nothing herein shall prohibit a state savings and loan association from making loans on the security of a first lien on the home or combination of home and business property owned and occupied by a director, officer, or employee of an association, or by an attorney or member of a firm of attorneys regularly serving the association in the capacity of attorney-at-law.

History: Created 1972 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 2.

Formerly codified as KRS 289.225.

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.