

HOUSE BILL NO. 68

INTRODUCED BY HIBBARD, BROWN, LYNCH, BENEDICT

IN THE HOUSE

DECEMBER 6, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
DECEMBER 8, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
	PRINTING REPORT.
DECEMBER 9, 1993	SECOND READING, DO PASS.
	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 96; NOES, 2.
DECEMBER 10, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

DECEMBER 10, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
DECEMBER 14, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
DECEMBER 15, 1993	SECOND READING, CONCURRED IN.
	THIRD READING, CONCURRED IN. AYES, 47; NOES, 2.
	RETURNED TO HOUSE.

IN THE HOUSE

DECEMBER 15, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1
2 INTRODUCED BY House BILL NO. 68
Hillard Bob Brown Spurk BENEFIT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING STATE
5 RESTRICTIONS ON LOANS TO DIRECTORS OF BANKS; AMENDING
6 SECTION 32-1-467, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
7 DATE."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 32-1-467, MCA, is amended to read:

11 "32-1-467. Loans to managing officer ~~or-director~~. (1) A
12 bank may extend credit to a managing officer ~~or-director~~ of
13 the bank:

14 (a) in any amount to finance the education of the
15 managing officer's ~~or-director's~~ children;

16 (b) in any amount to finance the purchase,
17 construction, maintenance, or improvement of a residence of
18 the managing officer ~~or-director~~ if the extension of credit
19 is secured by a first lien on the residence and the
20 residence is:

21 (i) owned by the managing officer ~~or-director~~; or

22 (ii) expected to be owned by the managing officer ~~or~~
23 ~~director~~ after the extension of credit; and

24 (c) for any other purpose not specified in subsections

25 (1)(a) and (1)(b) if the aggregate amount of loans to that

1 individual under this subsection (1) does not exceed at any
2 one time the greater of 2.5% of the bank's capital and
3 unimpaired surplus or \$25,000. However, in no event may the
4 aggregate amount of loans to the individual exceed \$100,000.

5 (2) The department may adopt rules to address loans
6 made before October 1, 1993, and to define capital and
7 unimpaired surplus for purposes of 32-1-465 and this
8 section."

9 NEW SECTION. **Section 2.** Effective date. (This act) is
10 effective on passage and approval.

-End-

1 House BILL NO. 68
2 INTRODUCED BY Hilland Bob Brown Spuch Beaulieu

24 (c) for any other purpose not specified in subsections
25 (1)(a) and (1)(b) if the aggregate amount of loans to that

- End -

THIRD READING

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A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING STATE
RESTRICTIONS ON LOANS TO DIRECTORS OF BANKS; AMENDING
SECTION 32-1-467, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 32-1-467, MCA, is amended to read:

"32-1-467. Loans to managing officer or-director. (1) A
bank may extend credit to a managing officer or-director of
the bank:

(a) in any amount to finance the education of the
managing officer's or-director's children;

(b) in any amount to finance the purchase,
construction, maintenance, or improvement of a residence of
the managing officer or-director if the extension of credit
is secured by a first lien on the residence and the
residence is:

(i) owned by the managing officer or-director; or

(ii) expected to be owned by the managing officer or
director after the extension of credit; and

(c) for any other purpose not specified in subsections

(1)(a) and (1)(b) if the aggregate amount of loans to that

individual under this subsection (1) does not exceed at any
one time the greater of 2.5% of the bank's capital and
unimpaired surplus or \$25,000. However, in no event may the
aggregate amount of loans to the individual exceed \$100,000.

(2) The department may adopt rules to address loans
made before October 1, 1993, and to define capital and
unimpaired surplus for purposes of 32-1-465 and this
section."

NEW SECTION. **Section 2.** Effective date. [This act] is
effective on passage and approval.

-End-