

286.6-525 Loans to credit union officials.

- (1) A credit union may make loans to its officers, directors, employees, loan officers, credit manager, and to members of its supervisory and credit committees, provided that:
 - (a) The loan complies with all lawful requirements under this subtitle with respect to loans to other borrowers and is not on terms more favorable than those extended to other borrowers; and
 - (b) Any loan or aggregate of loans to any official which exceeds twenty-five thousand dollars (\$25,000) plus pledged shares shall be approved by the board of directors.
- (2) A credit union may permit officers, directors, employees, loan officers, credit manager, and members of its supervisory and credit committees to act as comakers, guarantors or endorsers of loans to other members, except that when any such loan standing alone or when added to any outstanding loan or loans to the comaker, guarantor or endorser exceeds ten thousand dollars (\$10,000), approval of the board of directors is required.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 157, sec. 8, effective July 14, 2000. -- Created 1984 Ky. Acts ch. 408, sec. 53, effective July 13, 1984.

Formerly codified as KRS 290.525.

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, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.