

17-5808. Associations may incidentally purchase loans. Every association shall primarily use its funds in making home loans originated by it rather than in purchasing loans, but may incidentally purchase loans of any type which it is permitted to make: Provided, That no association may purchase bulk property in excess of ten percent of its assets or \$50,000, whichever is greater, without the approval of the commissioner: Provided further, That no association may purchase any real estate loan or other property from an affiliated institution, or from an institution in liquidation, without the approval of the commissioner. For the purposes of this section:

(a) An "affiliated institution" means: (1) An institution in which the purchasing association has a substantial investment; or (2) an institution which has a substantial investment in the purchasing association; or (3) an institution of which the majority of the board of directors are the same persons who constitute a majority of the board of directors of the purchasing association.

(b) An "institution in liquidation" means: (1) An institution which has been taken over for liquidation pursuant to law; or (2) an institution which, in conformity with law, has determined to dissolve.

History: L. 1943, ch. 133, § 211; July 1.