

7-1-803 Conflicting interests of commissioner, supervisors, and examiners -- Loans and accounts -- Disclosure -- Penalty.

- (1) Neither the commissioner nor any supervisor or examiner may do any of the following with respect to any institution under the supervision of the department:
 - (a) be indebted, directly or indirectly, as a borrower, accommodation endorser, surety, or guarantor to an institution, or to an individual or any other legal or commercial entity owning or controlling an institution;
 - (b) be an officer, director, or employee of any institution or of an individual or any other legal or commercial entity owning or controlling an institution;
 - (c) own or deal in, directly or indirectly, the shares or obligations of an institution or of a corporation owning or controlling an institution;
 - (d) receive, directly or indirectly, from an institution or any officer, director, or employee of an institution, any salary, fee, or compensation; or
 - (e) be interested in or engage in the negotiations of any loan to, obligation of, or accommodation for another person to or with an institution.
- (2) Notwithstanding Subsection (1), the commissioner, any supervisor, or any examiner of the department may:
 - (a) have and maintain savings, transaction, share, time deposit, or other accounts, or certificates and deposits in any financial or depository institution in the state, or be a lessee of a safe deposit box on the same terms and conditions available to the public generally;
 - (b) be indebted to a depository institution under the supervision of the department on terms offered to the public generally upon:
 - (i) a mortgage loan upon the mortgagor's own home;
 - (ii) an open or closed end consumer loan granted before the person became employed with the department or before the institution became subject to the jurisdiction of the department;
 - (iii) in the case of a supervisor or examiner, a consumer loan lawfully made prior to January 1, 1991, provided that while the debt is subject to the provisions of this chapter, the terms of the debt are not changed in favor of the debtor in a manner not offered and provided to other creditworthy borrowers or waived or extended as a result of delinquency or default; and
 - (iv) a debt fully secured at all times by deposits in the institution;
 - (c) be indebted on an installment debt transferred to an institution under the jurisdiction of the department in the regular course of business by a seller of consumer goods; and
 - (d) continue to receive payments under a regularly established pension plan of general application for fully retired employees of an institution under the supervision of the department.
- (3) Full disclosure in writing of any indebtedness incurred under Subsection (2) shall be filed in the commissioner's office.
- (4) Any person who knowingly violates this section with the intention of getting gain through the influence of his office shall forfeit the office or employment and is guilty of a third degree felony.

Amended by Chapter 200, 1994 General Session