

**7-3-19 Limitations on loans and extensions of credit.**

- (1) The total loans and extensions of credit, including credit exposure to a derivative transaction, by a bank to a person outstanding at one time and not fully secured, as determined in a manner consistent with Subsection (2), by collateral having a market value at least equal to the amount of the loan or extension of credit may not exceed 15% of the amount of the bank's total capital.
- (2)
  - (a) The total loans and extensions of credit, including credit exposure to a derivative transaction, by a bank to a person outstanding at one time and fully secured by readily marketable collateral having a market value, as determined by reliable and continuously available price quotations, at least equal to the amount of the funds outstanding may not exceed 10% of the total capital of the bank.
  - (b) The limitation of Subsection (2)(a) is separate from and in addition to the limitation described in Subsection (1).
- (3)
  - (a) The limitations contained in Subsections (1) and (2) are subject to exceptions the commissioner may prescribe by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
  - (b) A rule made under this section may not be inconsistent with law and regulations applicable to loan restrictions on national banks.
- (4)
  - (a) The commissioner may, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, define the following terms as used in this section:
    - (i) "credit exposure to a derivative transaction";
    - (ii) "derivative";
    - (iii) "loans and extensions of credit"; and
    - (iv) "person".
  - (b) The definitions described under Subsection (4)(a) may not be inconsistent with those applicable to national banks.

Amended by Chapter 194, 2012 General Session