

7-8-5 Acquisition of own stock restricted -- Capital requirements.

- (1)
- (a) An industrial bank may not accept as collateral, or be a purchaser of, shares of its own capital stock, unless taking the shares as collateral or purchasing them is necessary to prevent loss upon a debt previously contracted in good faith.
 - (b) All shares of stock acquired under this Subsection (1) by the industrial bank through any purchase, foreclosure, judgment, or otherwise shall be sold within 12 months from the date of acquisition.
 - (c) The par value of all the shares held after acceptance or purchase may not exceed 10% of the capital and surplus of the industrial bank.
- (2)
- (a) Each industrial bank accepting or holding deposits shall maintain the minimum amount of capital required by its federal deposit insurer.
 - (b) The commissioner may require a greater amount of capital if the commissioner determines that it is necessary to protect the interests of:
 - (i) the depositors and other customers of the industrial bank; and
 - (ii) the public.

Amended by Chapter 92, 2004 General Session