

§ 54B-62. Relationship of savings and loan associations with the Savings Institutions Division.

(a) Except as provided by subsection (b) of this section, a savings and loan association or any director, officer, employee, or representative thereof shall not grant or give to any employee of the Savings Institutions Division, or to their spouses, any loan or gratuity, directly or indirectly.

(b) No person on the staff of the Savings Institutions Division shall:

- (1) Hold an office or position in any State association or exercise any right to vote on any State association matter by reason of being a member of the association;
- (2) Be interested, directly or indirectly in any savings and loan association organized under the laws of this State; or
- (3) Undertake any indebtedness, as a borrower directly or indirectly or endorser, surety or guarantor, or sell or otherwise dispose of any loan or investment to any savings and loan association organized under the laws of this State.

(c) Notwithstanding subsection (b) of this section, any person employed in or by the Savings Institutions Division may be a withdrawable account holder and receive earnings on such account.

(d) Any employee of the Savings Institutions Division shall dispose of any right or interest in a savings and loan association, held either directly or indirectly, that is prohibited under subsection (b) of this section, within 60 days after the date of the employee's appointment or employment. If that person is indebted as borrower directly or indirectly, or is an endorser, surety or guarantor on a note, at the time of his appointment or employment, he may continue in such capacity until such loan is paid off.

(e) If any employee of the Division has a loan or other note acquired by a State savings and loan association through the secondary market, he may continue with the debt until such loan or note is paid off. (1981, c. 282, s. 3; 1989, c. 76, s. 20; 1991, c. 707, s. 3; 2001-193, s. 6.)