



30 (1) The total loans and extensions of credit [~~by any~~], including credit exposure to a  
31 derivative transaction, by a bank to [~~any~~] a person outstanding at one time and not fully  
32 secured, as determined in a manner consistent with Subsection (2), by collateral having a  
33 market value at least equal to the amount of the loan or extension of credit may not exceed  
34 15% of the amount of the bank's total capital.

35 (2) (a) The total loans and extensions of credit, including credit exposure to a  
36 derivative transaction, by a bank to a person outstanding at one time and fully secured by  
37 readily marketable collateral having a market value, as determined by reliable and continuously  
38 available price quotations, at least equal to the amount of the funds outstanding may not exceed  
39 10% of the total capital of the bank.

40 (b) The limitation of Subsection (2)(a) is separate from and in addition to the limitation  
41 described in Subsection (1).

42 (3) (a) The limitations contained in Subsections (1) and (2) are subject to exceptions  
43 the commissioner may prescribe by rule made in accordance with Title 63G, Chapter 3, Utah  
44 Administrative Rulemaking Act.

45 (b) A rule made under this section may not be inconsistent with law and regulations  
46 applicable to loan restrictions on national banks.

47 (4) (a) The commissioner may, by rule made in accordance with Title 63G, Chapter 3,  
48 Utah Administrative Rulemaking Act, define the following terms as used in this section:

49 (i) "credit exposure to a derivative transaction";

50 (ii) "derivative";

51 (iii) "loans and extensions of credit"; and

52 (iv) "person" [~~as used in this section~~].

53 (b) The definitions described under Subsection (4)(a) may not be inconsistent with  
54 those applicable to national banks.

55 Section 2. Section **7-8-20** is amended to read:

56 **7-8-20. Limitations on loans to one borrower -- Exceptions -- Rules.**

57 (1) Except as provided in this section, the total loans and extensions of credit [~~by any~~],

58 including credit exposure to a derivative transaction, by an industrial bank to [~~any~~] a person  
59 outstanding at any one time may not exceed 15% of the industrial bank's total capital.

60 (2) Subsection (1) does not apply to an extension of credit that is subject to, or  
61 expressly exempted from, a federal statute or federal regulation limiting the amount of total  
62 loans and credit that may be extended to any person or group of persons.

63 (3) The commissioner may by rule made in accordance with Title 63G, Chapter 3, Utah  
64 Administrative Rulemaking Act:

65 (a) exempt from Subsection (1) [~~any~~] a class of loans or class of extensions of credit,  
66 including credit exposure to a derivative transaction, that are adequately secured or are not  
67 otherwise a risk to the safe and sound operation of an industrial bank;

68 (b) define terms and phrases necessary to interpret and implement this section;

69 (c) adopt standards for aggregating or segregating loans to the same or different  
70 persons;

71 (d) describe records required to be maintained;

72 (e) require specific actions to be taken by an institution's board of directors or  
73 executive officers; and

74 (f) prescribe other actions necessary to interpret and implement this section.