

~~Title 45 - DEPARTMENT OF BANKING & FINANCE~~

~~Chapter 29 - EQUITY REQUIREMENTS FOR LOANS TO EXECUTIVE OFFICERS~~

~~001 Scope and Application~~

~~001.01 This rule will govern certain loans made by a state bank to its executive officers pursuant to the provisions of Neb. Rev. Stat. section 8-140. Such loans include only those which are secured by a lien on the current or future residence of the executive officer and are in addition to the \$20,000 maximum educational and personal loans authorized by that section.~~

~~001.02 An executive officer who is a cosigner on a loan included under the provisions of section 001.01 shall be governed by this rule, whether or not he/she is a maker of the loan.~~

~~001.03 Compliance with this rule does not exempt a bank from compliance with the provisions of the Federal Reserve Board's Regulation O.~~

~~002 Definitions~~

~~002.01 "Lien" shall mean any charge or security or encumbrance upon the property enforceable in equity or law.~~

~~003 Minimum Equity~~

~~003.01 Loans which will be secured by a first lien on the residence may be made in an amount not to exceed eighty percent of the appraised value of the property. Minimum equity is set at twenty percent.~~

~~003.02 Loans which will be secured by a lien other than a first lien on the residence may be made when the aggregate of the lien being taken by the bank and the actual amount of all liens prior thereto does not exceed eighty percent of the appraised value of the property. Minimum equity is set at twenty percent.~~

~~003.02A In the case of liens of record that provide for fluctuating balances or additional advances or are open-ended or have similar features, the maximum amount that could be advanced thereunder shall be considered as the actual amount of these prior liens.~~

~~003.02B In the case of liens of record that do not provide for fluctuating balances or additional advances or are not open-ended or do not have similar features, the current balance of the instrument which gave rise to the lien may be used for determining the actual amount of these prior liens.~~

~~004 Documentation Requirements~~

~~004.01 The lien position must be established. A title opinion or title insurance is required.~~

~~004.02 Calculation of the actual amount of all prior liens shall be documented and verified. This may include memoranda, correspondence and credit agency reports.~~

~~004.03 The appraised value is to be evidenced by a written appraisal which predates the loan by no more than six months. The appraisal shall be conducted by an independent licensed real estate appraiser.~~

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