

"AN ACT TO AMEND SECTION 3 OF ACT 252 OF 1931 [ARK. STAT. 67-509], TO PERMIT A STOCKHOLDER IN THREE OR MORE BANKS TO BORROW OR BECOME INDEBTED TO THOSE BANKS SO LONG AS THE BORROWING COMPLIES WITH APPLICABLE RESTRICTIONS OF THE STATE BANK DEPARTMENT, FEDERAL RESERVE OR THE FEDERAL DEPOSIT INSURANCE CORPORATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 3 of Act 252 of 1931, the same being Arkansas Statute Section 67-509, is hereby amended to read as follows:

"Section 3. Any person or person, and/or any company, copartnership, corporation or other legal entity in which such person or persons own or control a majority interest, owning singly or jointly an aggregate of fifty percent (50%) or more of the capital stock of three (3) or more banks and/or trust companies, thus forming a chain or group of banks and/or trust companies shall be permitted to borrow or become otherwise indebted to such banks subject to the following conditions:

(A) Any borrowing by such a stockholder as above defined must meet the regulatory borrowing requirements of the Federal Deposit Insurance Corporation or the Federal Reserve, whichever is applicable.

(B) The borrowing must be on the same terms and conditions with regard to interest rates charged and loan collateral requirements as any other customer of such bank. The bank will not be permitted to engage in preferential treatment for such shareholders as defined in this Act."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: April 8, 1987

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