

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Todd**

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 23-32-902 TO ADD A NEW
9 SUBDIVISION TO EXEMPT CERTAIN BANK LOANS FROM THE TWENTY
10 PERCENT OF CAPITAL BASE LIMITATION SO LONG AS A PLAN FOR
11 DIVESTITURE IS APPROVED BY THE STATE BANK COMMISSIONER;
12 AND FOR OTHER PURPOSES."

Subtitle

15 "EXEMPTS CERTAIN BANK LOANS FROM THE 20% OF CAPITAL BASE
16 LIMITATION UNDER SPECIFIC CONDITIONS.

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

20 SECTION 1. Arkansas Code 23-32-902 is amended by adding a new
21 subdivision (2) to read as follows:

22 "(2) Non-conforming assets acquired as a result of acquisition of a
23 failed bank or savings and loan association so long as a plan for divestiture
24 within a reasonable amount of time is approved by the Bank Commissioner."

26 SECTION 2. All provisions of this act of a general and permanent nature
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
28 Revision Commission shall incorporate the same in the Code.

30 SECTION 3. If any provision of this act or the application thereof to
31 any person or circumstance is held invalid, such invalidity shall not affect
32 other provisions or applications of the act which can be given effect without
33 the invalid provision or application, and to this end the provisions of this
34 act are declared to be severable.

1 SECTION 4. All laws and parts of laws in conflict with this act are
2 hereby repealed.

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4 SECTION 5. EMERGENCY. It is hereby found and determined by the General
5 Assembly that the present law limiting any bank loan to twenty percent of the
6 capital base of the lending bank has placed a severe hardship on some banks
7 especially when applied to assets acquired at a discount from failed financial
8 institutions; that this act is designed to minimize this hardship by
9 permitting the Bank Commissioner to approve a plan for divestiture of such
10 non-conforming assets and should be given effect immediately. Therefore, an
11 emergency is hereby declared to exist and this act being necessary for the
12 preservation of the public peace, health and safety shall be in full force and
13 effect from and after its passage and approval.

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