R.S. 17:9A-71

LEGISLATIVE FACT SHEET

ON

N.J.R.S. 17:9A-71 (Bank officers - Loans)

(1966 Amendment)

LAWS OF 1966 CHAPTER 273

~~SENATE~~ ASSEMBLY 274

INTRODUCED Jan. 31, 1966 BY Mc Dermott [and 4 others]

STATEMENT	(YES)	NO
AMENDED DURING PASSAGE	YES	(NO)
HEARING		
VETO		

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7-22-68 L3/RSL

A 274 (1966)

alone, or with one or more directors [,] *or* officers [or employees] of the bank, has a controlling interest, or by a partnership of which such director is a general or limited partner, if, pursuant to such application, liability is incurred in violation of subsections B and C of section 72;

(4) a director [,] *or an* officer [or employee] of a bank, who alone, or with one or more directors [,] *or* officers [or employees] of the bank, has a controlling interest in a corporation or who is a general or limited partner of a partnership which presents an application to the bank pursuant to which liability is incurred in violation of subsections B and C of section 72 and who, having knowledge of such application prior to its acceptance, fails to disclose his interest to the executive committee or the board of directors prior to such acceptance.

B. Each person described in paragraphs (2), (3) and (4) of subsection A of this section shall be personally liable on demand to the bank for the liability incurred in violation of subsections B and C of section 72, with interest, and, upon payment thereof, shall be subrogated to the rights of the bank.

5. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to modernize the provisions of The Banking Act of 1948 in respect to loans by banks to their officers and directors.