

286.3-330 Assets may be pledged or surety bonds provided as collateral security -- Security not required if deposit insured.

- (1) Banks, subject to statutory or charter limitations, may pledge such portion of their assets or provide surety bonds as may be required by law as collateral security for government deposits made with them, or any of them, by or under the authority of the United States, or for any other deposit required by law to be secured.
- (2) Notwithstanding any law requiring security for deposits in the form of collateral, surety bond, or in any other form, security for such deposits shall not be required to the extent said deposits are insured under the provisions of Section 12B of the Federal Reserve Act (38 Stat. 251) as amended.
- (3) If a bank proposes to sell its assets and transfer its deposit liability to another bank and the purchasing bank is unwilling to accept a sufficient amount of the assets to cover the liability to depositors and other creditors, the selling bank may, with the consent of the commissioner, pledge all or a part of its remaining or unacceptable assets to secure a loan for an amount sufficient to cover the remaining liability to the depositors and other creditors.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 635, effective July 15, 2010. -- Amended 1998 Ky. Acts ch. 554, sec. 4, effective July 15, 1998. -- Amended 1984 Ky. Acts ch. 324, sec. 27, effective July 13, 1984. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 579.

Formerly codified as KRS 287.330.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.