

ACT 103

S.B. NO. 1286

A Bill for an Act Relating to Banking.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 403-65, Hawaii Revised Statutes, is amended to read as follows:

**“§403-65 Directors meetings; examination reports.** The board of directors of every bank shall hold a regular meeting at least once every month. At every such meeting the president or cashier shall submit a detailed report showing every loan and investment which exceeds in amount one-half of one per cent of the capital and surplus of the bank or [~~\$100,000,~~] \$500,000, whichever is the lesser, made during the preceding month or since the last

report, also a separate report of all loans made to any officer, director, or employee (except such loans as are excluded from the requirements of approval by section 403-94), whether made direct or indirect or contingent, and the amount of security held therefor, if any, unless an advisory, discount, or executive committee, the majority of whom are not active officers of the bank, makes and files a written report stating that the committee has examined the reports and approved thereof, or stating its disapproval of any item appearing therein. The board of directors shall examine and pass upon such written report or the report of the advisory, discount, or executive committee and make the same a part of the record of their meeting by recording it in the minutes, and the record shall show their approval or disapproval.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 30, 1987.)