



ADMINISTRATIVE RULES OF MONTANA



2.59.2066 EXCLUSIONS

- (1) The following items will be excluded when calculating the amount of a person's total loans and extensions of credit:
 - (a) loans or extensions of credit, and participation in loans and extensions of credit, that have been sold, if:
 - (i) the loan, extension of credit, or the portion of the loan or extension of credit sold as a participation is sold without recourse to the selling mutual association; or
 - (ii) the participation agreement provides for a pro rata sharing of credit risk proportionate to the respective interests of the originating and participating lenders. Where a participation agreement provides that repayment must be applied first to the portions sold, a pro rata sharing will be deemed to exist only if the agreement also provides that, in the event of a default or comparable event defined in the agreement, participants must share in all subsequent repayments and collections in proportion to their percentage participation at the time of the occurrence of the event;
 - (b) loans, or extensions of credit, including portions thereof, that have been charged off the books of the mutual association in whole or in part, provided that the amounts charged off are:
 - (i) unenforceable by reason of discharge in bankruptcy;
 - (ii) no longer legally enforceable because of expiration of the statute of limitations or a judicial decision; or no longer legally enforceable for other reasons, provided that the mutual association maintains sufficient records to demonstrate that the loan is unenforceable;
 - (iii) credit exposures arising from securities financing transactions in which the securities financed are Type I securities, as defined in 12 CFR 1.2(j);
 - (iv) intraday credit exposures arising from a derivative transaction; or
 - (v) all other loans or portions of loans specifically exempted by provisions of 32-1-432, MCA, or other applicable laws.

Authorizing statute(s): 32-2-925, MCA

Implementing statute(s): 32-2-925, MCA

History: NEW, 2022 MAR p. 230, Eff. 2/12/22.