

WEST VIRGINIA CODE: §31-18-21

§31-18-21. Prohibition on funds inuring to the benefit of or being distributable to directors, officers or private persons; transactions between the Housing Development Fund and directors or officers having certain interests in such transactions.

(a) No part of the funds of the Housing Development Fund, or of the operating loan fund, or of the land development fund, shall inure to the benefit of or be distributable to its directors or officers or other private persons except that the Housing Development Fund shall be authorized and empowered to pay reasonable compensation, other than to the directors, including the chairman, vice chairman and treasurer of the board of directors and the secretary of the board of directors, for services rendered and to make loans and exercise its other powers as previously specified in furtherance of its corporate purpose: Provided, That no such loans shall be made, and no property shall be purchased or leased from, or sold, leased or otherwise disposed of, to any director or officer of the Housing Development Fund.

(b) Notwithstanding any provision contained in paragraph (a) of this section, no loans shall be made by the Housing Development Fund to, and no property shall be purchased or leased from, or sold, leased or otherwise disposed of to, any corporation or other entity in which any officer or director is a stockholder or is otherwise financially interested, unless:

(1) The interest of such director or officer in such transaction is specifically and fully disclosed to the board of directors of the Housing Development Fund at the time it authorizes, approves or ratifies such transaction and the fact and nature of such interest are stated in the minutes of each meeting of the board of directors at which such transaction is considered;

(2) Such transaction is fair and reasonable to the Housing Development Fund; and

(3) In the case of a director, such director abstains from voting or written consent as to the authorization, approval or ratification of such transaction by the board of directors of the Housing Development Fund.