

# WEST VIRGINIA CODE: §31A-4-23

## **§31A-4-23. Borrowing by banking institutions; records thereof; penalties.**

Any state banking institution may borrow money, rediscount any of its notes, or borrow bonds for the use of the bank in order to meet any emergency that may arise. The books and accounts of such banking institutions shall at all times show the amount of such borrowed money, bonds or rediscounts. No officer, director or employee of any such banking institution shall issue the note of such banking institution for borrowed money, or rediscount any note or pledge any of the assets of such banking institution except when authorized by resolution of the board of directors of such banking institution.

A banking institution, when authorized by resolution of the board of directors thereof, may borrow money from and contract with any federal agency or instrumentality created and existing pursuant to an act of the Congress of the United States, or any other person or persons, and may pledge, hypothecate, assign or rediscount to any such federal agency or instrumentality, or to any other person or persons, any assets or securities belonging to the banking institution in such manner or form as may be approved by its board of directors, and subject to any terms or conditions imposed in connection therewith, as collateral security for the payment of any and all such loans. An accurate record of all securities and exact copies of all notes withdrawn from the files of such banking institutions, to be pledged as collateral for borrowed money or other purposes, shall be kept in the files of such banking institution at all times.

It shall be unlawful for any such banking institution to issue its certificate of deposit for purposes of borrowing money or to pledge or hypothecate more than \$2 of the book value of any of its assets for each \$1 of borrowed money.

In addition to applicable penalties provided in article eight of this chapter for any such violations, the commissioner of banking may act administratively or through judicial proceedings in a court of competent jurisdiction to correct and prevent any such violations.