

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

400U0304

HOUSE BILL NO. 1053

Introduced by: The Committee on State Affairs at the request of the Department of Labor
and Regulation

1 FOR AN ACT ENTITLED, An Act to revise the lending limit for state chartered banks.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That chapter 51A-12 be amended by adding thereto a NEW SECTION to read
4 as follows:

5 For the purpose of calculating loan or credit limitations pursuant to § 51A-12-2, a loan
6 includes any credit exposure to a borrower arising from a derivative transaction, repurchase
7 agreement, reverse repurchase agreement, securities lending transaction, or securities borrowing
8 transaction between a bank and that borrower.

9 Section 2. That chapter 51A-12 be amended by adding thereto a NEW SECTION to read
10 as follows:

11 For purposes of section 1 of this Act, a derivative transaction is any transaction that is a
12 contract, agreement, swap, warrant, note, or option that is based in whole, or in part, on the
13 value of any interest in, or any quantitative measure or the occurrence of any event relating to
14 interest rates.

