

1301:1-3-02

Real estate lending standards.

- (A) Each state bank shall adopt and maintain written policies that establish appropriate limits and standards for extensions of credit that are secured by liens on or interests in real estate, or that are made for the purpose of financing permanent improvements to real estate.
- (B)
- (1) Real estate lending policies adopted pursuant to this rule shall be all of the following:
- (a) Consistent with safe and sound banking practices;
 - (b) Appropriate to the size of the institution and the nature and scope of its operations;
 - (c) Reviewed and approved by the state bank's board of directors at least annually.
- (2) Real estate lending policies shall establish all of the following:
- (a) Loan portfolio diversification standards;
 - (b) Prudent underwriting standards, including loan-to-value limits, that are clear and measurable;
 - (c) Loan administration procedures for the state bank's real estate portfolio;
 - (d) Documentation, approval, and reporting requirements to monitor compliance with the state bank's real estate lending policies.
- (C) Each state bank shall monitor conditions in the real estate market in its lending area to ensure that its real estate lending policies continue to be appropriate for current market conditions.
- (D) The real estate lending policies adopted pursuant to this rule should reflect consideration of any administrative guidelines for real estate lending policies the superintendent may adopt pursuant to division (B) of section 1121.03 of the Revised Code.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under:	119.03
Statutory Authority:	1121.03
Rule Amplifies:	1109.16
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