

## **REGULATION NO. 2**

**WHEREAS**, Section 5-2A-8 of the Alabama Banking Code provides that the Superintendent of Banks may, with the concurrence of a majority of the State Banking Board, promulgate reasonable regulations;

**AND WHEREAS**, Section 5-6A-22 of the Alabama Banking Code prohibits any officer, director, or employee of a bank from overdrawing his or her account except as the Superintendent of Banks shall allow by regulation:

**NOW THEREFORE**, be it known that the Superintendent, with the concurrence of the State Banking Board, does hereby promulgate the following regulation:

For purposes of this regulation, the definition of an executive officer shall be the same as that found in Regulation O of the Federal Reserve Board of Governors. No state-chartered bank in Alabama may pay an overdraft of a director or executive officer of the bank on an account at the bank unless the payment of funds is made in accordance with the provisions of Regulation O of the Federal Reserve Board of Governors. In addition, no state-chartered bank may pay an overdraft of a nonexecutive officer or employee unless:

- the overdraft is paid in accordance with a written policy of the bank which is no more liberal regarding employee overdrafts than the bank's policies regarding overdrafts of any other bank customer in similar circumstances,
- the bank charges the non-executive officer or employee the same fee charged any other customer of the bank in similar circumstances, and
- the extension of credit represented by the overdraft presents no more than the normal risk of repayment.

This regulation shall be effective February 1, 1998

s/Wayne C. Curtis  
Superintendent of Banks