

Memo 1995-20 7-19-95 All-bank mailing.

**TO:** All Kansas Banks  
**FROM:** Frank D. Dunnick, Bank Commissioner  
**DATE:** July 19, 1995  
**RE:** Memorandum Change; Special Order 1995-3

**A. Memorandum Change**

Based on comments the office has received on the "Other Real Estate and Contracts for Sale" memo, dated February 16, 1995, the requirement that the bank use a third party escrow agent to hold the deed to the property has been reconsidered. It has been determined that the benefit of requiring a third party escrow agent is outweighed by the burden imposed on the bank. Therefore, this new memorandum is being used. As a result of the reissued memo, the use of a third party escrow arrangement is no longer necessary to relieve the bank of the restrictions imposed by K.S.A. 9-1102. This statute establishes maximum holding periods for bank owned real estate. Please discard the February 16, 1995 memo and replace it with the enclosed memo.

As always, the office welcomes the opportunity to discuss regulatory issues with Kansas bankers. Suggestions for policy changes that reduce regulatory burden without affecting safety and soundness will continue to be given serious consideration.

**B. Special Order 1995-3**

This Special Order was recently issued at the request of UMB Bank Kansas, Overland Park, Kansas, to allow the bank to lend to an affiliate, UMB USA, without regard to the lending limitations imposed by K.S.A. 9-1104, as amended.

See memo 1995-20A