



# Office of the State Bank Commissioner

## Regulatory Mailing

### RM2000-2

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TO: All State Chartered Banks  
FROM: George E. Myers, Director of Examinations  
DATE: May 24, 2000

SUBJECT: Sale of Bank Property to Employees / Approval of the Commissioner

K.S.A. 9-1112 requires, in part, that state banks obtain the approval of the Commissioner prior to the sale of any asset to an employee, the bank's parent company, or a subsidiary of the bank's parent company. To assist the department in processing approval requests as rapidly as possible, the following procedures should be utilized:

#### Automobiles

The bank should submit a brief letter describing the vehicle (make, model, year, mileage, condition), the carrying value on the bank's books, as well as the proposed sales price and terms. The department will assume a sales price at or above the current NADA trade-in/wholesale value to be sufficiently documented. The department will carefully scrutinize any proposed sale below the NADA value. To substantiate a lower sales price, the bank should obtain a written appraisal from an independent source or solicit bids through publicly advertising the vehicle.

#### Real Estate

The bank should submit a letter describing the property, current book value, date acquired, and proposed sales price and terms. The letter should also indicate what efforts have been made to market the property, and the result of those efforts. The request should be accompanied by an appraisal/evaluation performed within the last 12 months.

#### Other Assets

A request for permission to sell other items of personal property (computers, furniture, etc.) should contain a description of the item (model, age, etc.), the proposed sales price, the method used to establish that price, and any efforts to otherwise market the item.

The merits of all requests will be reviewed on a case-by-case basis. Should you have questions about any of these procedures, please contact our office.