

**700 Corporation Law for State Banks and Trust Companies**

**707 Limitation on the Accretion of Debt for Purposes of Increasing Capital or Surplus by a Division or Subsidiary of a Bank or Trust Company Engaged in Insurance Activities**

Formerly Regulation No.: 5.761.0008

Effective Date: February 15, 1993

**1.0** The purpose of this regulation is to set limits on the amount of debt a bank or trust company engaging in insurance activities may incur for the purpose of increasing its capital or surplus.

**2.0** No division or subsidiary of any bank or trust company engaged in activities authorized by §761(a)(14) of Title 5 shall incur debt for the purpose of increasing its capital or surplus, including, but not limited to, debt incurred through the sale or issuance of capital notes, debentures or other forms of securitized debt, in an amount in excess of one percent of the total capital, surplus and undivided profits of the bank or trust company in any one year without the prior approval of the State Bank Commissioner and shall, in no event, incur such debt in an amount which, in the aggregate, exceeds ten percent of the total capital, surplus and undivided profits of the bank or trust company.