TITLE 26
BANKS AND BANKING

CHAPTER 7
LIMITATIONS ON LOANS, INVESTMENTS, AND PRACTICES

26-701. INVESTMENT OF FUNDS -- CERTAIN LOANS PROHIBITED. No bank shall employ its moneys, directly or indirectly, in trade or commerce, by buying and selling goods, chattels, wares and merchandise, except to the extent national banks are so authorized if approved by the director. A bank may hold and sell all kinds of property which may come into its possession as collateral security for loans, or any ordinary collection of debts, as prescribed by law. Any goods, chattels, wares or merchandise coming into the possession of any bank as collateral security or as a result of collection of debts shall be disposed of as soon as possible and shall not be considered as a part of the bank's assets after the expiration of two (2) years from the date of acquirement. The words "goods and chattels" as used in this section shall not be construed to include bonds and securities.

[26-701, added 1979, ch. 41, sec. 2, p. 87; am. 1993, ch. 53, sec. 3, p. 141.]

26-702. BANK STOCK. (1) Except as provided in subsection (2) of this section, no bank shall accept as collateral, nor make any loans or discounts on the security of nor purchase any shares of its own capital stock. No bank shall purchase the shares of any other bank wherever organized, or situated, except stock of federal reserve banks. A bank may acquire a security interest in or purchase its own stock if the acquisition is necessary to prevent loss upon a debt previously contracted in good faith and the stock so purchased or acquired shall within six (6) months from the date of acquirement be sold or disposed of at public or private sale. After the expiration of six (6) months any such stock shall not be considered as a part of the assets of such bank.

(2) With the written approval of the director, a bank may redeem or otherwise purchase shares of its own capital stock if the director finds that such redemption or purchase does not impair the capital structure of the bank as required by section 26-205, Idaho Code, is for legitimate corporate purposes and not for speculation, is not for an unreasonable price, does not conflict with the articles of incorporation or the bylaws of the bank, and is not otherwise detrimental to the bank or to the public interest. Legitimate corporate purposes for acquiring and holding of treasury stock may include:

(a) To have shares available for use in connection with employee stock option, bonus, purchase or similar plans;

(b) To sell to a director for the purpose of acquiring qualifying shares;

(c) To purchase a director's qualifying shares upon cessation of the director's service in that capacity if there is no ready market for the shares;

(d) To reduce the number of shareholders to qualify as a subchapter S corporation;

(e) To reduce costs associated with shareholder communications and meetings;

(f) To facilitate a bank's shareholder dividend reinvestment plan; or

(g) Any other legitimate corporate purpose as may be approved by the director.

[26-702, added 1979, ch. 41, sec. 2, p. 88; am. 1986, ch. 58, sec. 1, p. 167; am. 2008, ch. 140, sec. 7, p. 405.]

26-703. REAL ESTATE LOANS. Any bank may make real estate loans secured by liens upon improved real estate, including improved farm land and improved business and residential properties, as are consistent with safe and sound banking practices. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument which shall constitute a lien upon real estate.

[26-703, added 1979, ch. 41, sec. 2, p. 88; am. 2004, ch. 159, sec. 2, p. 515; am. 2007, ch. 126, sec. 3, p. 378.]

26-704. DETERMINATION OF LIMITS OF LOANS AND INVESTMENTS OF BANKS. For the purpose of determining limitations on loans and investments the following items are to be disregarded:

(1) The sale of excess reserve funds by one (1) bank to another bank;

(2) The purchase of securities by a bank, under an agreement to resell at the end of a stated period; and

(3) The purchase of mortgage loans by a bank, under agreement to resell at the end of a stated period.

The director may, upon application by a bank, approve loans and investments in excess of the limitations provided in this chapter.

[(26-704) 26-708, added 1979, ch. 41, sec. 2, p. 90; am. and redesig. 2004, ch. 159, sec. 4, p. 515.]

26-705. LOANS TO ONE PERSON. (1) The total loans and extensions of credit by a bank to a person outstanding at one (1) time, shall at no time exceed twenty percent (20%) of the capital structure of such bank.

(2) "Borrower" means a person who is named as a borrower or debtor in a loan or extension of credit, a counterparty to whom a bank has credit exposure in a derivative transaction entered into by the bank, or any other person including a drawer, endorser or guarantor, who is deemed to be a borrower under the direct benefit and common enterprise tests set forth in this section.

(3) "Derivative transaction" includes any transaction that is a contract, agreement, swap, warrant, note or option that is based, in whole or in part, on the value of, any interest in or any quantitative measure or the occurrence of any event relating to, one (1) or more commodities, securities, currencies, interest or other rates, indices or other assets.

(4) "Loans and extensions of credit" means a bank's direct or indirect advance of funds to or on behalf of a borrower based upon an obligation of the borrower to repay the funds, or repayable from specific property pledged by or on behalf of the borrower, and includes, for the purposes of this section:

(a) A contractual commitment to advance funds;

(b) A maker or endorser's obligation arising from a bank's discount of commercial paper;

(c) A bank's purchase of securities subject to an agreement that the seller shall repurchase the securities at the end of a stated period, but not including a bank's purchase of type I securities, as defined in 12 CFR part 1, subject to a repurchase agreement, where the purchasing

bank has assured control over or has established its rights to the type I securities as collateral;

(d) A bank's purchase of third-party paper subject to an agreement that the seller shall repurchase the paper upon default or at the end of a stated period. The amount of the bank's loan is the total unpaid balance of the paper owned by the bank less any applicable dealer reserves retained by the bank and held by the bank as collateral security. Where the seller's obligation to repurchase is limited, the bank's loan is measured by the total amount of the paper the seller may ultimately be obligated to repurchase. A bank's purchase of third party paper without direct or indirect recourse to the seller is not a loan or extension of credit to the seller;

(e) An overdraft, whether or not prearranged, but not an intraday overdraft for which payment is received before the close of business of the bank that makes the funds available;

(f) The sale of federal funds with a maturity of more than one (1) business day, but not federal funds with a maturity of one (1) day or less or federal funds sold under a continuing contract;

(g) Loans or extensions of credit that have been charged off on the books of the bank in whole or in part, unless the loan or extension of credit:

(i) Is unenforceable by reason of discharge in bankruptcy;

(ii) Is no longer legally enforceable because of expiration of the statute of limitations or a judicial decision; or

(iii) Is no longer legally enforceable for other reasons, provided that the bank maintains sufficient records to demonstrate that the loan is unenforceable; and

(h) Any credit exposure in a derivative transaction.

(5) The following items do not constitute loans or extensions of credit for purposes of this section:

(a) Additional funds advanced for the benefit of a borrower by a bank for payment of taxes, insurance, utilities, security, and maintenance and operating expenses necessary to preserve the value of real property securing the loan, consistent with safe and sound banking practices, but only if the advance is for the protection of the bank's interest in the collateral, and provided that such amounts must be treated as an extension of credit if a new loan or extension of credit is made to the borrower;

(b) Accrued and discounted interest on an existing loan or extension of credit, including interest that has been capitalized from prior notes and interest that has been advanced under terms and conditions of a loan agreement;

(c) Financed sales of a bank's own assets, including other real estate owned, if the financing does not put the bank in a worse position than when the bank held title to the assets;

(d) A renewal or restructuring of a loan as a new loan or extension of credit, following the exercise by a bank of reasonable efforts, consistent with safe and sound banking practices, to bring the loan into conformance with the lending limit, unless new funds are advanced by the bank to the borrower (except as permitted by this section), or a new borrower replaces the original borrower, or unless the director determines that a renewal or restructuring was undertaken as a means to evade the bank's lending limit;

(e) Amounts paid against uncollected funds in the normal process of collection;

(f) (i) That portion of a loan or extension of credit sold as a participation by a bank on a nonrecourse basis, provided that the participation results in a pro rata sharing of credit risk proportionate to the respective interests of the originating and participating lenders. Where a participation agreement provides that repayment must be applied first to the portions sold, a pro rata sharing shall be deemed to exist only if the agreement also provides that, in the event of a default or comparable event defined in the agreement, participants must share in all subsequent repayments and collections in proportion to their percentage participation at the time of the occurrence of the event.

(ii) When an originating bank funds the entire loan, it must receive funding from the participants before the close of business of its next business day. If the participating portions are not received within that period, then the portions funded shall be treated as a loan by the originating bank to the borrower. If the portions so attributed to the borrower exceed the originating bank's lending limit, the loan may be treated as nonconforming, rather than a violation, if:

1. The originating bank had a valid and unconditional participation agreement with a participating bank or banks that was sufficient to reduce the loan to within the originating bank's lending limit;

2. The participating bank reconfirmed its participation and the originating bank had no knowledge of any information that would permit the participant to withhold its participation; and

3. The participation was to be funded by close of business of the originating bank's next business day; and

(g) Intraday credit exposure in a derivative transaction.

(6) The following loans or extensions of credit are not subject to the lending limits of this section:

(a) The discount of bills of exchange drawn in good faith against actual existing values;

(b) The discount of bankers' acceptances of other banks;

(c) The discount of commercial or business paper actually owned by the person negotiating the same;

(d) The obligations of the United States or general obligations of any state or of any political subdivision thereof, or obligation issued under authority of the federal farm loan act;

(e) Loans made on warehouse receipts and bills of lading, when such warehouse receipts and bills of lading cover nonperishable commodities of the marketable value of at least one hundred twenty percent (120%) of the amount loaned thereon;

(f) Loans and extensions of credit to the extent secured or covered by guaranties, or by commitments or agreements to take over or to purchase, made by any federal reserve bank or by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States; or

(g) Loans, including portions thereof, secured by a segregated deposit account in the lending bank, provided a security interest in the deposit has been perfected under applicable law.

(7) Combination. Loans or extensions of credit to one (1) borrower shall be attributed to another person and each person shall be deemed a borrower when proceeds of a loan or extension of credit are to be used for the direct benefit of the other person, to the extent of the proceeds so used, or when a common enterprise is deemed to exist between the persons.

(a) Direct benefit. The proceeds of a loan or extension of credit to a borrower shall be deemed to be used for the direct benefit of another person and shall be attributed to the other person when the proceeds, or assets purchased with the proceeds, are transferred to another person, other than in a bona fide arm's length transaction where the proceeds are used to acquire property, goods or services.

(b) Common enterprise. A common enterprise shall be deemed to exist and loans to separate borrowers shall be aggregated:

(i) When the expected source of repayment for each loan or extension of credit is the same for each borrower and neither borrower has another source of income from which the loan (together with the borrower's other obligations) may be fully repaid. An employer shall not be treated as a source of repayment under this paragraph because of wages and salaries paid to an employee unless the standards of paragraph (b)(ii) of this subsection are met;

(ii) When loans or extensions of credit are made:

1. To borrowers who are related directly or indirectly through common control, including where one (1) borrower is directly or indirectly controlled by another borrower; and

2. Substantial financial interdependence exists between or among the borrowers. Substantial financial interdependence is deemed to exist when fifty percent (50%) or more of one (1) borrower's gross receipts or gross expenditures (on an annual basis) are derived from transactions with the other borrower. Gross receipts and expenditures include gross revenues/expenses, intercompany loans, dividends, capital contributions, and similar receipts or payments;

(iii) When separate persons borrow from a bank to acquire a business enterprise of which those borrowers will own more than fifty percent (50%) of the voting securities or voting interests, in which case a common enterprise is deemed to exist between the borrowers for purposes of combining the acquisition loans; or

(iv) When the director determines, based upon an evaluation of the facts and circumstances of particular transactions, that a common enterprise exists.

(c) Loans to a corporate group.

(i) Loans or extensions of credit by a bank to a corporate group may not exceed fifty percent (50%) of the bank's capital and surplus. A corporate group includes a person and all of its subsidiaries. For purposes of this paragraph, a corporation or a limited liability company is a subsidiary of a person if the person owns or beneficially owns directly or indirectly more than fifty percent (50%) of the voting securities or voting interests of the corporation or company.

(ii) Except as provided in paragraph (c)(i) of this subsection, loans or extensions of credit to a person and its subsidiary, or to different subsidiaries of a person, are not combined unless either the direct benefit or the common enterprise test is met.

(d) Loans to partnerships, joint ventures, and associations.

(i) Partnership loans. Loans or extensions of credit to a partnership, joint venture or association are deemed to be loans or extensions of credit to each member of the partnership, joint venture or association. This rule does not apply to limited partners in limited partnerships or to members of joint ventures or associations if the partners or members, by the terms of the partnership or membership agreement, are not held generally liable for the debts or actions of the partnership, joint venture or association, and those provisions are valid under applicable law.

(ii) Loans to partners.

1. Loans or extensions of credit to members of a partnership, joint venture or association are not attributed to the partnership, joint venture or association unless either the direct benefit or the common enterprise test is met. Both the direct benefit and common enterprise tests are met between a member of a partnership, joint venture or association and such partnership, joint venture or association, when loans or extensions of credit are made to the member to purchase an interest in the partnership, joint venture or association.

2. Loans or extensions of credit to members of a partnership, joint venture or association are not attributed to other members of the partnership, joint venture or association unless either the direct benefit or common enterprise test is met.

(e) Loans to foreign governments and their agencies and instrumentalities.

(i) Aggregation. Loans and extensions of credit to foreign governments and their agencies and instrumentalities shall be aggregated with one another only if the loans or extensions of credit fail to meet either the means test or the purpose test at the time the loan or extension of credit is made.

1. The means test is satisfied if the borrower has resources or revenue of its own sufficient to service its debt obligations. If the government's support (excluding guarantees by a central government of the borrower's debt) exceeds the borrower's annual revenues from other sources, it shall be presumed that the means test has not been satisfied.

2. The purpose test is satisfied if the purpose of the loan or extension of credit is consistent with the purposes of the borrower's general business.

(ii) Documentation. In order to show that the means and purpose tests have been satisfied, a bank must, at a minimum, retain in its files the following items:

1. A statement (accompanied by supporting documentation) describing the legal status and the degree of financial and operational autonomy of the borrowing entity;

2. Financial statements for the borrowing entity for a minimum of three (3) years prior to the date the loan or extension of credit was made or for each year that the borrowing entity has been in existence, if less than three (3) years;

3. Financial statements for each year the loan or extension of credit is outstanding;

4. The bank's assessment of the borrower's means of servicing the loan or extension of credit, including specific reasons in support of that assessment. The assessment shall include an analysis of the borrower's financial history, its present and projected economic and financial performance, and the significance of any financial support provided to the borrower by third parties, including the borrower's central government; and

5. A loan agreement or other written statement from the borrower that clearly describes the purpose of the loan or extension of credit. The written representation will ordinarily constitute sufficient evidence that the purpose test has been satisfied. However, when, at the time the funds are disbursed, the bank knows or has reason to know of other information suggesting that the borrower will use the proceeds in a manner inconsistent with the written representation, it may not, without further inquiry, accept the representation.

(8) A bank shall evaluate the credit exposure in a derivative transaction in accordance with a methodology approved by any federal bank supervisory agency. In each type of derivative transaction a bank engages in, a bank shall use the same credit exposure methodology in all derivative transactions of that type.

(9) Lending limit calculation. For purposes of determining compliance with this section, a bank shall determine its lending limit as of the last day of the preceding calendar quarter. A bank's lending limit calculated in accordance with this section shall be effective on the date that the limit is to be calculated. If the director determines for safety and soundness reasons that a bank should calculate its lending limit more frequently than required by this subsection, the director may provide written notice to the bank directing the bank to calculate its lending limit at a more frequent interval, and the bank shall thereafter calculate its lending limit at that interval until further notice from the director.

(10) Nonconforming loans and extensions of credit. A loan or extension of credit, within a bank's legal lending limit when made, shall not be deemed a violation but shall be treated as nonconforming if the loan or extension of credit is no longer in conformity with the bank's lending limit because:

(a) The bank's capital has declined, borrowers have subsequently merged or formed a common enterprise, lenders have merged, or the lending limit or capital rules have changed. A bank must use reasonable efforts to bring a loan or extension of credit that is nonconforming under this subsection into conformity with the bank's lending limit unless to do so would be inconsistent with safe and sound banking practices.

(b) Collateral securing the loan or extension of credit to satisfy the requirements of a lending limit exception has declined in value. A bank must bring a loan or extension of credit that is nonconforming

under this subsection into conformity with the bank's lending limit within thirty (30) calendar days, except when judicial proceedings, regulatory actions or other extraordinary circumstances beyond the bank's control prevent the bank from taking action.

(c) In the case of credit exposure in a derivative transaction, the credit exposure increases after execution of the transaction. A bank must use reasonable efforts to bring a derivative transaction that is nonconforming under this subsection into conformity with the bank's lending limit unless to do so would be inconsistent with safe and sound banking practices.

(11) When in the judgment of the director the loans and extensions of credit to any person, or the combined loans and extensions of credit to any corporation and one (1) or more of its stockholders are excessive, he shall require the reduction thereof to such limits and within such time as he shall prescribe.

Provided, further, that the director may compel the reduction of any loan or extension of credit which shall in his judgment appear excessive or dangerous.

[(26-705) 26-709, added 1979, ch. 41, sec. 2, p. 90; am. and redesig. 2004, ch. 159, sec. 5, p. 516; am. 2013, ch. 55, sec. 1, p. 124.]

26-706. LOANS TO OFFICERS AND DIRECTORS. Except as authorized under this section, no bank may extend credit in any manner to any of its own executive officers. Any extension of credit under this section must be approved by the board of directors of the bank, and may be made only if such credit extension comports with the principles of safety and soundness and is in compliance with regulation O of the board of governors of the federal reserve system, 12 CFR 215. Each executive officer and director who receives an extension of credit from the bank shall submit a personal financial statement to the chief executive officer of the bank at least once during each calendar year and such financial statement shall be made available to federal or state regulatory agencies upon request by the agency.

[(26-706) 26-710, added 1979, ch. 41, sec. 2, p. 91; am. 1990, ch. 93, sec. 1, p. 193; am. 1995, ch. 99, sec. 4, p. 301; am. and redesig. 2004, ch. 159, sec. 6, p. 521; am. 2007, ch. 126, sec. 4, p. 378.]

26-707. REAL ESTATE HOLDINGS. A bank may purchase, acquire, hold and convey real estate for the following purposes only:

(1) Such as shall be necessary for the convenient transaction of its business, including at the same location as its banking offices other property to rent as a source of income; provided however, that no bank shall invest in buildings and lots and furniture, fixtures and equipment in an amount greater than fifty percent (50%) of the capital structure of such bank.

(2) Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of business.

(3) Such as it shall purchase at sale on judgments, decrees, mortgage foreclosure or trustees sale for debts previously contracted, but a bank shall not bid at such sale a larger amount than is necessary to satisfy all debts and costs necessary to obtain clear title. Real estate acquired for debts previously contracted shall be carried on the books of the bank at the lower of cost or market value. Market value shall be determined by:

(a) An appraisal prepared by a state certified or licensed appraiser; or

(b) An appropriate evaluation when the recorded investment is equal to or less than two hundred fifty thousand dollars ($250,000).

If a bank has a valid appraisal or an appropriate evaluation that was previously obtained in connection with a real estate loan, a new appraisal or evaluation is not required at the time the bank acquires the property to determine the market value of real estate acquired for debts previously contracted. A bank may defer obtaining an appraisal or evaluation for a period not to exceed three (3) months following acquisition of the real estate if the bank documents a reasonable expectation that a sale of the real estate, other than in a transaction involving an affiliated party, will be consummated during a period of three (3) months following the acquisition of the property. If the property is not sold during the expected three (3) month period, a new appraisal or appropriate evaluation as set forth in paragraphs (a) and (b) of this subsection must be obtained. Thereafter, the director may in his discretion require an appraisal or evaluation if the director believes it is necessary to address safety and soundness concerns. A bank shall develop and maintain prudent real estate appraisal and evaluation policies and procedures to monitor the market value of real estate acquired for debts previously contracted, in accordance with applicable real estate appraisal and evaluation guidelines.

(4) No real estate acquired under subsections (2) and (3) of this section may be held for a longer period than five (5) years, provided however, that upon application by the bank, the director shall approve the continued holding of any such real estate by the bank for an additional period of five (5) years upon the bank's showing of its good faith attempt to dispose of the real estate within the first five (5) year period, or that disposal within the first five (5) year period would be detrimental to the bank; and provided further that the bank shall, during the second five (5) year period, at the end of each year beginning at the end of the sixth year in which the property is held, write down the value of such real estate by twenty percent (20%) of the value at which such real estate is carried on its books at the beginning of the second five (5) year period. Value at the beginning of the second five (5) year period shall be the lower of cost or market value as determined pursuant to appraisal as provided in subsection (3) of this section. Nothing in this section shall be construed to prevent a bank from making loans secured by real estate as provided in this act, or a trust department holding and conveying real estate in trust.

(5) A bank may, with the approval of the director and the board of governors of the federal reserve system or the federal deposit insurance corporation invest in bank premises or in the stock, bonds, debentures, or other obligations of any corporation holding the banking buildings, lots and furniture, fixtures and equipment of such bank in an amount not to exceed the capital and surplus of the bank.

[(26-707) 26-711, added 1979, ch. 41, sec. 2, p. 92; am. 1987, ch. 165, sec. 1, p. 325; am. and redesig. 2004, ch. 159, sec. 7, p. 522; am. 2015, ch. 204, sec. 12, p. 625.]

26-708. VALUATION OF ASSETS. No bank shall enter or at any time carry on its books any of its assets at a valuation exceeding their actual cost to the bank; nor shall the value of any of its assets be increased on the books of the bank without the written consent of the director. Additional charges, delinquency charges and other similar charges on consumer credit transactions permitted by and made in compliance with the Idaho Credit Code

and added to the principal balance of the loan, shall not come within the prohibition of this section.

[(26-708) 26-712, added 1979, ch. 41, sec. 2, p. 93; am. and redesig. 2004, ch. 159, sec. 8, p. 523; am. 2008, ch. 140, sec. 8, p. 406.]

26-709. STATUTORY BAD DEBT. Every bank carrying any bad debt, or a debt of doubtful value, as an asset shall, upon the request or demand of the director, collect the same or put it in good bankable condition or charge it out of its books. Any debt on which interest is past due and unpaid for a period of six (6) months, unless the same is well secured and in process of collection, shall be considered a bad debt within the meaning of this section.

[(26-709) 26-713, added 1979, ch. 41, sec. 2, p. 93; am. and redesig. 2004, ch. 159, sec. 9, p. 523.]

26-710. OWNERSHIP AND LEASING OF PROPERTY FOR CUSTOMERS. A bank may become the owner and lessor of personal property acquired upon the specific request and for the use of a customer and may incur such additional obligations as may be incident to becoming an owner and lessor of such property.

[(26-710) 26-714, added 1979, ch. 41, sec. 2, p. 93; am. and redesig. 2004, ch. 159, sec. 10, p. 523.]

26-711. LENDING OF CREDIT -- SURETYSHIP AND GUARANTYSHIP. A bank may lend its credit, bind itself as a surety to indemnify another, or otherwise become a guarantor, only if it has a substantial interest in the performance of the transaction involved or has a segregated deposit sufficient in amount to cover the bank's total potential liability.

[(26-711) 26-715, added 1979, ch. 41, sec. 2, p. 93; am. and redesig. 2004, ch. 159, sec. 11, p. 523.]

26-712. VALIDITY OF TRANSACTIONS. Nothing in any law of this state shall in any manner whatsoever affect the validity of, or render void or voidable, the payment, certification or acceptance of a check or other negotiable instrument, or any other transaction by a bank in this state, because done or performed during any time other than regular banking hours.

[(26-712) 26-716, added 1979, ch. 41, sec. 2, p. 93; am. 1993, ch. 52, sec. 2, p. 135; am. and redesig. 2004, ch. 159, sec. 12, p. 523.]

26-713. ADVERSE CLAIM TO BANK DEPOSIT. Notice to any bank of an adverse claim to a deposit standing on its books to the credit of any person shall not require the bank to recognize the adverse claim unless the adverse claimant shall:

(1) Procure a restraining order, injunction or other appropriate process against the bank from a court of competent jurisdiction wherein the person to whose credit the deposit stands is made a party and served with summons; or

(2) Execute to said bank, in a form and with sureties acceptable to the bank, a bond indemnifying the bank from any and all liability, loss, damage, costs and expenses for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of the bank.

This section shall not apply in any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship and the facts showing reasonable cause

for belief on the part of the claimant that the fiduciary is about to misappropriate the deposit, are made to appear by the affidavit of the claimant.

[(26-713) 26-717, added 1979, ch. 41, sec. 2, p. 94; am. and redesig. 2004, ch. 159, sec. 13, p. 524.]

26-714. ACCOUNT OF PERSON UNDER DISABILITY. Whenever any minor or any person under disability shall become a depositor, as defined in section 26-106, Idaho Code, in any bank in his or her name, such bank may pay such money on the check, order or endorsement of such depositor the same as in cases of depositors not under disability, and such payment shall be in all respects valid in law.

[(26-714) 26-718, added 1979, ch. 41, sec. 2, p. 94; am. and redesig. 2004, ch. 159, sec. 14, p. 524.]

26-715. BRANCH OR OFFICE AT WHICH INSTRUMENTS ARE TO BE PRESENTED MUST BE INDICATED. All checks, drafts, bills of exchange or other orders for the payment of money drawn against any bank operating branch banks shall indicate the particular bank and branch at which the same are to be presented for payment or acceptance.

[(26-715) 26-719, added 1979, ch. 41, sec. 2, p. 94; am. and redesig. 2004, ch. 159, sec. 15, p. 524.]