§ 247. Restrictions upon trustees and officers. 1. A trustee of a savings bank shall not

(a) Have any interest, direct or indirect, in the profits of the savings bank, but may receive interest upon the amounts contributed by him or her to the surplus fund, may make deposits in the savings bank and receive interest thereon and may acquire from the life insurance department of the savings bank, or through the savings bank as agent for the life insurance department of another savings bank, life insurance issued on his or her life, or that of another, in accordance with the provisions of article six-A of this chapter and may receive dividends thereon. Notwithstanding the provisions of this paragraph, an officer of a savings bank who also serves as a trustee of such institution may receive compensation as an officer of such institution, as approved by the board of trustees, which in whole or in part is based upon the financial performance of the institution.

(b) Become a member of the board of directors of a bank, trust company or national bank of which board enough other trustees of the savings bank are members to constitute with him a majority of the board of trustees.

(c) Become a director or trustee of a bank, trust company or national bank located in this state, operating a special interest department, or of a mortgage or title company organized under the banking law or insurance law, if, after election as such director or trustee a majority of the trustees of the savings bank will be directors or trustees of such other institutions.

2. Neither a trustee nor an executive officer of a savings bank shall

(a) Receive directly or indirectly and retain for his or her own use any commission on or benefit from any loan made by the savings bank, or any pay or emolument for services rendered to any borrower from the savings bank in connection with such loan, except as provided in section two hundred forty-nine of this article.

(b) Direct or require a borrower on a mortgage to negotiate any policy of insurance on the mortgaged property through any particular insurance broker or brokers, or attempt to divert to any particular insurance broker or brokers the business of borrowers from the savings bank, or refuse to accept any such insurance policy because it was not negotiated

through a particular insurance broker or brokers.

(c) Become an indorser, surety, or guarantor, or in any manner an obligor, for any loan made by the savings bank.

(d) For himself or as agent or partner of another, directly or indirectly borrow or use any of the funds of the savings bank or become the owner of real property on which the savings bank holds a mortgage.

2-a. Notwithstanding paragraph (c) or (d) of subdivision two of this section an executive officer of a savings bank may borrow from such savings bank or become the owner of real property on which the savings bank holds a mortgage if the loan is secured by (a) a first mortgage or is a cooperative apartment unit loan, which property or apartment is to be occupied as the executive officer's primary residence and is specifically approved in writing by the board of trustees or (b) a deposit maintained by the executive officer with the savings bank.

2-b. As used in subdivisions two and two-a of this section, the term "executive officer" shall be defined as set forth in section 22(h)(9)(C) of the Federal Reserve Act 12 U.S.C. 375b(9)(C), and regulations promulgated thereunder, as amended.

3. A loan to or a purchase by a corporation in which he is a stockholder to the amount of fifteen per centum of the total outstanding stock, or in which he and other trustees of the savings bank hold stock to the amount of twenty-five per centum of the total outstanding stock, shall be deemed a loan to or a purchase by such trustee within the meaning of this section; except when the loan to or purchase by such corporation shall have occurred without his knowledge or against his protest. A deposit with a banking corporation shall not be deemed a loan within the meaning of this section.

4. This section shall not be construed to prohibit a savings bank from making a loan to a religious corporation, club, or other membership corporation of which one or more trustees of such savings bank may be members or officers but in which they have no financial interest, nor shall it be construed to prohibit a savings bank from making loans to or purchasing guaranteed mortgages from any stock corporation, provided no

trustee owns more than fifteen per centum of the capital stock of such corporation, and the total amount of such stock owned by all the trustees of such savings bank is less than twenty-five per centum of such capital stock.

5. (a) No executive officer of a savings bank may be an executive officer, director or trustee of another savings bank, or of a bank or trust company, savings and loan association, national bank, federal savings bank or federal savings association, the principal office of which institution is located in this state, bank holding company or foreign banking corporation maintaining a branch in this state, unless permission therefor has been granted by the superintendent pursuant to the provisions of paragraph (b) of this subdivision.

(b) The superintendent shall have the power to determine by regulation who shall be considered, under the provisions of this subdivision, to be an executive officer, and by regulation, to grant permission to an executive officer of a savings bank to be an executive officer, director or trustee or both an executive officer and director or trustee of another savings bank or a bank or trust company, savings and loan association, national bank, federal savings bank or federal savings association, the principal office of which institution is located in this state, bank holding company or foreign banking corporation maintaining a branch in this state. Such permission may be granted only if in the judgment of the superintendent such service by the executive officer will be consistent with the policy of the state of New York as declared in section ten of this chapter. The superintendent shall have the power to revoke such permission whenever the superintendent finds, after reasonable notice and an opportunity to be heard, that the public interest requires such revocation.

(c) For the purposes of this subdivision, the term "bank holding company" shall be given the same meaning as is contained in section one hundred forty-one of this chapter, and the definition of the term, "banking institution" is modified to include a national bank, federal savings bank or federal savings association, the principal office of which institution is located in this state, and a foreign banking corporation maintaining a branch in this state.

(d) All other restrictions and limitations imposed by this chapter on

officers and trustees of savings banks shall continue in effect.