§ 399. Restrictions on directors and officers. 1. No director or officer of any savings and loan association shall receive any salary, fees, expenses or other compensation for soliciting the sale of shares of the association to any person.

2. No officer, director, attorney, agent or employee of any savings and loan association shall discount or, directly or indirectly, purchase from a member of such association a share in such association, whether or not withdrawal application has been filed with respect to such share, except by payment therefor of the book value of such share. For the purposes of this subdivision, the book value of a share shall consist of the dues and dividends credited thereon and dividends declared but withheld subject to payment at maturity.

3. No director or officer of any savings and loan association shall, after June thirtieth, nineteen hundred thirty-nine for himself or as agent or partner of another borrow any of the funds of such association or become the owner of real property upon which such association holds a mortgage; except that such officer or director may borrow from such association on the security of shares held by him or on the security of real estate owned by him if used and occupied by him as a home for himself or family, or may become the owner of real estate so used and occupied upon which the association holds a mortgage. As used in this subdivision, the terms "real property", "real estate", and "mortgage" shall be deemed to refer to ownership interests in, and security with respect to, a cooperative apartment unit.

4. No director or officer of any savings and loan association shall direct or require a borrower on a mortgage to negotiate any policy of insurance on the mortgaged property through any particular insurance company or companies or through any particular insurance agent or agents and broker or brokers or attempt to divert to any particular insurance company or companies or any particular insurance agent or agents and broker or brokers, the business of borrowers from the savings and loan association, or refuse to accept any insurance policy because it was not negotiated through a particular insurance company or companies or through a particular insurance agent or agents and broker or brokers.

5. (a) No executive officer of a savings and loan association may be an executive officer, director or trustee of another savings and loan association, bank or trust company, savings bank, 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 of financial services pursuant to 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 and loan association to be an executive officer, director or trustee or both an executive officer and a director or a trustee of another savings and loan association, bank or trust company, savings bank, national bank, federal savings bank or federal savings association, the principal office of which 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 executive officers and directors of savings and loan associations shall continue in effect.