

**286.3-102 Activities permitted to state bank receiving CAMELS rating of 1 or 2 --  
Section not applicable to deferred deposit transactions or title pledge lending.  
(Effective until July 15, 2024)**

- (1) As used in this section, a CAMELS rating means a system of rating used by examiners of financial institutions to rate the institutions in six (6) categories: capital adequacy, asset quality, management effectiveness, quantity and quality of earnings, liquidity, and sensitivity to market risk.
- (2) In addition to all other banking activities permitted by this subtitle, a state bank receiving a CAMELS rating of 1 or 2 at its most recent state or federal bank regulatory examination may engage in any banking activity in which the bank could engage and is exempted from any statutes or administrative regulations which would be preempted if:
  - (a) It was operating as a national bank in Kentucky;
  - (b) It was operating as a state bank, state thrift, or state savings bank in any state; or
  - (c) It meets the qualified thrift lender test as determined by the Office of Thrift Supervision or its successor, or was operating as a federally chartered thrift or federal savings bank in any state.
- (3) Before a state bank may engage in any of the banking activities permitted by subsection (2) of this section, the state bank shall obtain a legal opinion specifying the statutory or regulatory provisions that permit the activity in which the state bank intends to engage and the conditions under which such activity is allowed. This legal opinion shall be maintained by the bank and provided to the department upon request.
- (4) This section shall not apply to exempt any laws which regulate Kentucky state banks pertaining to deferred deposit transactions in Subtitle 9 of this chapter, title pledge lending in Subtitle 10 of this chapter, visitorial or examination powers, and interest rates.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 24, sec. 623, effective July 15, 2010; and ch. 28, sec. 11, effective July 15, 2010. -- Amended 2006 Ky. Acts ch. 183, sec. 7, effective July 12, 2006. -- Created 2000 Ky. Acts ch. 279, sec. 1, effective July 14, 2000.

**Formerly codified as** KRS 287.102.

**Legislative Research Commission Note (7/15/2010).** This section was amended by 2010 Ky. Acts chs. 24 and 28, which do not appear to be in conflict and have been codified together.

**Legislative Research Commission Note (7/12/2006).** This section was amended in 2006 Ky. Acts ch. 183. In that same session, 2006 Ky. Acts ch. 247, sec. 38 required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has changed the number of this section and codified it as a section of KRS Chapter 286.