**Section 340.30 Limits**

Any loan or extension of credit by a state bank to any of its officers, employees, directors or to corporations or firms controlled by them or in the management of which any of them are actively engaged must receive the prior approval of the board of directors of the bank if such loan or extension of credit exceeds the higher of $25,000 or 5% of the bank's capital, surplus and undivided profits when aggregated with all other loans or extensions of credit then outstanding by the bank to that person or to any corporation or firm controlled by that person or in the management of which that person is actively engaged. In no event shall a state bank make any loan or extension of credit to any of its officers, employees, directors or to corporations or firms controlled by them or in the management of which any of them are actively engaged in an amount that, when aggregated with all other loans or extensions of credit then outstanding by the bank to that person or to any corporation or firm controlled by that person or in the management of which that person is actively engaged, exceeds $500,000, except with the prior approval of the board of directors of the bank. When the bank's board of directors votes on a specific loan or extension of credit to the bank's officer, employee, director or to a corporation or firm controlled by them or in the management of which any of them are actively engaged, that officer, employee or director shall not be present during the discussion of such loan or extension of credit and shall abstain from participating in the vote.