

## 2020 Kansas Statutes

**9-1127g. Same; permitted activities.** (a) A service corporation may engage in any activity that a savings and loan association may conduct directly.

(b) A service corporation shall be subject to the commissioner's supervision as the savings and loan association would be if it had conducted the activity itself.

(c) If a service corporation fails to meet any of the requirements of this section, the savings and loan association shall notify the commissioner. If the service corporation is unable to comply with the requirements of this section within 90 days of its initial failure to meet such requirements, the savings and loan association shall dispose of its investment in the service corporation.

(d) After a savings and loan association has received approval from the commissioner, a service corporation may engage in the following:

(1) Business activities, when such activities are limited to financial documents, financial clients or are generally financially related to:

- (A) Accounting or internal or other auditing;
- (B) advertising, market research and other marketing;
- (C) clerical;
- (D) consulting;
- (E) courier;
- (F) data processing;
- (G) data storage facilities operation and related services;
- (H) personnel benefit program development or administration;
- (I) printing and selling forms that require magnetic ink character recognition (MICR) encoding;
- (J) purchasing and distribution of office supplies, furniture and equipment;
- (K) relocation of personnel;
- (L) research studies and surveys;
- (M) software development and systems integration; and
- (N) remote service unit operation, leasing, ownership or establishment;

(2) credit-related activities:

- (A) Abstracting;
- (B) acquiring and leasing personal property;
- (C) appraising;
- (D) collections;
- (E) credit analysis;
- (F) check or credit card guaranty and verification;
- (G) acting as an escrow agent or trustee, under deeds of trust, including executing and delivery of conveyances, reconveyances and transfers of title; and
- (H) loan inspection;

(3) consumer services activities:

- (A) Financial advice or consulting;
- (B) foreign currency exchange;
- (C) home ownership counseling;
- (D) income tax return preparation;
- (E) providing postal services;
- (F) sales of stored value instruments;
- (G) welfare benefit distribution;
- (H) check printing and related services; and
- (I) remote service unit operation, leasing, ownership or establishment;

(4) real estate-related service activities:

- (A) Acquiring real estate for:
  - (i) Prompt development or subdivision;
  - (ii) construction of improvements;
  - (iii) resale or leasing to others for such construction of improvements; or
  - (iv) use as manufactured home sites, in accordance with a prudent program of property development;
- (B) acquiring improved real estate or manufactured homes to be held for:
  - (i) Rental or resale;

- (ii) remodeling, renovating or demolishing and rebuilding for resale or rental; or
  - (iii) offices and related facilities of a stockholder of the service corporation;
  - (C) maintaining and managing real estate; and
  - (D) real estate brokerage for property owned by a savings and loan association or savings bank that owns capital stock of the service corporation or in which the service corporation otherwise invests;
  - (5) securities, liquidity management and coin purchase activities:
    - (A) Execution of transactions in securities on an agency or riskless principal basis solely upon the order and for the account of customers or the provision of investment advice. The service corporation must register with the securities and exchange commission and office of the securities commissioner, as required by applicable state and federal law and rules and regulations;
    - (B) liquidity management;
    - (C) issuing notes, bonds, debentures or other obligations of securities; and
    - (D) purchase or sale of coins issued by the United States treasury;
  - (6) investments in:
    - (A) Tax-exempt bonds used to finance residential real property for family units;
    - (B) tax-exempt obligations of public housing agencies used to finance housing projects with rental assistance subsidies;
    - (C) small business investment companies and new market venture capital companies licensed by the United States small business administration;
    - (D) rural business investment companies licensed by the U.S. department of agriculture; and
    - (E) savings accounts of an investing savings and loan association;
  - (7) community and economic development or public welfare investment activities that are permissible under federal law;
  - (8) establishing or acquiring a corporation that is recognized by the internal revenue service as organized for charitable purposes under 26 U.S.C. § 501(c)(3) of the internal revenue code and making a reasonable contribution to capitalize it, provided that the corporation engages exclusively in activities designed to promote the well-being of communities in which the owners of the service corporation operate;
  - (9) acting as an agent for or engaging in activities conducted on behalf of a customer, other than on an as-principal basis; and
  - (10) any activity reasonably incident to those listed in this subsection if the service corporation engages in those activities.
- (e) This section shall be a part of and supplemental to the state banking code.

**History:** L. 2018, ch. 75, § 4; July 1.