



**APPLICATION FOR EXCEPTION  
TO LOAN OR CREDIT  
LIMITATIONS PROVIDED IN  
51A-12-2**

**INFORMATION FOR THE  
APPLICANT**

This application form for an exception to the loan or credit limitations provided in SDCL 51A-12-2 is to be submitted to the Director of the South Dakota Division of Banking (Director) for approval. According to SDCL 51A-12-2.1, a state chartered bank in satisfactory condition, with the consent of its governing board, may request an exception to the loan or credit limitation as provided in SDCL 51A-12-2 from the Director. The bank shall apply for such an exception using this form. The Director may approve the exception if the loan is not on the loan watch list or problem loan report of the bank, or classified at the most recent regulatory examination, and the loan shall be:

- (1) Fully secured by the fair market value of the collateral and may not exceed one hundred percent of the discounted value assigned by the bank to the collateral;
- (2) An agricultural operating loan in the bank's normal trade area; and
- (3) Originated by the requesting bank.

No loan approved under this section may exceed an amount greater than the sum of twenty-five percent of the bank's capital stock or members' equity; surplus; and undivided profits. Such limit shall be determined on the basis of the bank's quarterly report of condition for the immediately previous calendar quarter and remain in effect until the loan expires as provided in SDCL 51A-12-2.2. The aggregate balance of all loans or extensions of credit made by a bank pursuant to this section may not exceed one hundred percent of the bank's tier one leverage capital. The aggregate balance is NOT the sum of the difference between the exception lending limit amount and the traditional lending limit amount.

Any exception granted by the Director under this process expires when the agricultural operating loan matures or twelve months after the exception is granted, whichever occurs first. A new exception request shall be submitted prior to the renewal of the agricultural operating loan if the loan to be renewed would exceed the loan or credit limitation as provided in SDCL 51A-12-2.

Schedules or inserts may be attached to this application whenever the space provided is insufficient. Attached schedules or inserts are a part of this application and should be on paper the same size as this page. Applications are to be securely bound.

An applicant shall file one original application form, one printed copy, and an electronic copy of the application forms and all attachments. A complete copy should be retained by the bank. If a different application is required by the appropriate federal regulatory agency, one copy of that application should be submitted to the Director.

Requests for clarification as to what information is necessary to complete this application should be directed to the Division of Banking.

You may provide any information in addition to that requested in this application which, in your opinion, might aid in the disposition of your proposal.

Complete responses to all questions in this application will expedite application processing.

**Section I.**

**GENERAL INFORMATION**

DATE: \_\_\_\_\_  
NAME OF BANK: \_\_\_\_\_

**COMPLETE ADDRESS OF MAIN OFFICE:**

STREET: \_\_\_\_\_  
MAILING ADDRESS (IF DIFFERENT THAN STREET ADDRESS):  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

**BANK REPRESENTATIVE RESPONSIBLE FOR RESPONDING TO QUESTIONS RELATING TO THIS APPLICATION:**

NAME/TITLE: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_  
EMAIL ADDRESS: \_\_\_\_\_

**Section II.**

**APPLICATION COMPONENTS**

**APPLICABLE LIMITS:**

COMPLETE THE FOLLOWING TABLE ACCORDING TO THE MOST RECENT QUARTER-ENDED REPORT OF CONDITION

Legal Lending Limit	
25% (Capital Stock + Surplus + Undivided Profits)	
Tier 1 Leverage Capital	

**DETAILED EXPLANATION OF THE REQUEST:**

**BORROWER/CREDIT INFORMATION:**

NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
COUNTY: \_\_\_\_\_ STATE: \_\_\_\_\_  
BORROWER LOCATED WITHIN BANK'S TRADE AREA: **Y/N**  
WAS THE CREDIT RELATIONSHIP ORIGINATED INTERNALLY: **Y/N**

ATTACH A TABLE DETAILING THE ITEMS LISTED IN THE FIELDS BELOW  
 (INCLUDE AND **IDENTIFY** THE PROPOSED EXTENSION/S OF CREDIT THAT REQUIRE  
 DIRECTOR APPROVAL):

Note Number	Note Purpose	Current Balance	Total Commitment	Payment Amount	Payment Frequency	Maturity

ATTACH DOCUMENTATION OF GOVERNING BOARD APPROVAL  
 ATTACH THE MOST RECENT CREDIT PRESENTATION/SUMMARY  
 ATTACH THE MOST RECENT COLLATERAL ANALYSIS  
 ADVERSELY CLASSIFIED AT LAST REGULATORY EXAMINATION: **Y/N**  
 LISTED ON THE BANK'S INTERNAL PROBLEM LOAN REPORT: **Y/N**  
 INTERNAL RISK RATING:

INCLUDE A BRIEF DESCRIPTION OF THE BANK'S INTERNAL LOAN RISK RATING  
 SYSTEM (1-7, 1-Excellent, 2-Good, 3-Acceptable, 4-Watch, 5-Substandard, 6-Doubtful, and 7-Loss):

**TOTAL EXPOSURE OF CREDIT LIMITATION EXCEPTIONS:**

DETAIL ALL OTHER EXTENSIONS OF CREDIT CURRENTLY OUTSTANDING THAT  
 ARE IN EXCESS OF THE BANK'S LEGAL LENDING LIMIT THAT REQUIRED PRIOR  
 DIRECTOR APPROVAL:

Borrower Name	Current Balance	Total Commitment	Date Lending Exception Granted

**ADDITIONAL COMMENTS FOR THE DIRECTOR'S CONSIDERATION:**