Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 17.—Financial Futures Contracts

17-17-8. Hedging of mortgage banking operations.

(a) The bank shall account for financial futures contracts associated with bona fide hedging of mortgage banking operations in accordance with generally accepted accounting principles applicable to the activity.

(b) As used in this regulation, "contracts associated with bona fide hedging of mortgage banking operations" means the origination and purchase of mortgage loans for resale to investors or the issuance of mortgage-backed securities.

(Authorized by K.S.A. 9-1713; implementing K.S.A. 1995 Supp. 9-1101; effective, T-85-20, July 2, 1984; effective May 1, 1985; amended Aug. 9, 1996.)