Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 11.—Documentation Requirements

17-11-17. Bank-owned real estate; records.

(a) Each bank or trust company shall maintain the following records for real estate owned by the bank or trust company:

(1) the insurance coverage on the real estate, including the amount of insurance and the expiration date;

(2) the legal description of the property;

(3) the cost of alterations; and

(4) proof of the payment of real estate taxes.

(b) In addition to the above requirements, the bank shall maintain the following records for bank-owned real estate obtained through foreclosure or debt settlement:

(1) the name of the original debtor;

(2) the total amount of indebtedness for which the real estate was acquired;

(3) the cost of acquisition; and

(4) the fair market value supported by an accurate appraisal performed not later than 90 days following the date of acquisition of the property. Thereafter, the fair market value shall be supported by an annual appraisal or appraisal update.

(A) Any appraisal required by subsection (b)(4) may be performed by any of the following:

(i) a certified or licensed appraiser;

(ii) two officers or directors of the bank; or

(iii) some other qualified individual.

(B) As used in subsection (b)(4), "appraisal update" shall mean a review of the property and the existing appraisal to determine the current fair market value and to make adjustments to the bank's valuation of the property if necessary.

(Authorized by K.S.A. 9-1713; implementing K.S.A. 1995 Supp. 9-1102; effective Jan. 1, 1966; amended May 1, 1978; amended Jan. 27, 1992; amended Aug. 9, 1996.)