

343 DIRECT OR INDIRECT BORROWINGS

Loans, other credit accommodations and guarantees to DOSRI shall be considered direct or indirect borrowings in accordance with the following criteria:

- a. *Direct borrowing.* If the director, officer or stockholder of the lending bank is a party to any of the transactions enumerated in Sec. 342 (*Transactions Covered*) for himself, or as the representative or agent of others, or if he acts as a guarantor, endorser or surety for loans from the bank, or if the loan or other credit accommodation to another party is secured by a property interest or right of the director, officer or stockholder.
- b. *Indirect borrowing.* If in any of the transactions in Sec. 342 (*Transactions Covered*) the borrower, guarantor, endorser or surety is a related interest as defined in Sec. 341 (*Definitions, Item "e"*).

Other cases of direct/indirect borrowing shall be resolved on a case-to- case basis.

It shall be the responsibility of the bank concerned to ascertain whether the borrower, guarantor, endorser or surety is related or connected with the bank or with any of the directors, officers or stockholders of the bank in any of the capacities mentioned in Sec. 341 (*Definitions, Item "e"*).

In determining indirect borrowings, as enumerated above, only those cases involving living relatives shall be considered.