**Section 1000.430 Maintenance of Records**

a) Association funds shall be disbursed in accordance with a resolution adopted by the board of directors at least annually. Each disbursement shall be documented to show the date, the amount and the purpose of the disbursement and the names of the person or persons or other entities receiving such disbursements whether paid directly, indirectly or through an escrow.

b) Record retention:

1) Before approving any loan or issuing any commitment, an association shall determine that every person that proposes to become liable to the association has the financial ability to service the proposed debt. The procedure for determining the financial capacity of every person that proposes to become liable to the association shall be in accordance with procedures adopted by the board of directors at least annually. Thereafter, an association shall retain the application and other documentation supporting each loan as part of the records of the association throughout the duration of the association's investment in the respective loan.

2) An association shall retain each rejected loan application and the information in support thereof for a period of twenty-five months following such rejection.

c) The association shall require every borrower that is

1) a trust to provide a certification by the trustee listing the current beneficiaries of the trust;

2) a corporation to provide a certification by the corporate secretary listing the names and percentage of ownership of all ten percent (10%) or more shareholders; and

3) a partnership to provide a certified list of partners.

d) Such documents shall become a part of the association's records and shall be maintained throughout the duration of the association's investment in the respective loan.

e) The approval for any investment made, or to be made, by an association shall be given only by persons authorized by a resolution adopted by the board of directors at least annually. The conditions of approval and the signature of the person or persons granting such approval shall become a part of the association's records.

f) No disbursement shall be made on any loan until the loan is entered on the books of the association and compliance with all applicable provisions of this Section and those of Section 1000.510 of this Part have been met.

(Source: Amended at 10 Ill. Reg. 14290, effective August 20, 1986)