

**INVESTMENT IN BONDS OF HOME OWNERS' LOAN CORPORATION AND OF FEDERAL HOME
LOAN BANKS (EXCERPT)**
Act 23 of 1934 (1st Ex. Sess.)

129.81 Investment in bonds of home owners' loan corporation, federal home loan bank, or financial institution; secured deposits; limitation on acceptable assets; "financial institution" defined.

Sec. 1.

(1) This state and any of its departments or political subdivisions, including municipal corporations, or instrumentalities, or any insurance company, building and loan association or company, savings and loan association or company, bank, trust company, or other financial institution or any executor, administrator, guardian, trustee, or other fiduciary may invest their funds or money in the bonds of the home owners' loan corporation or in the bonds of any federal home loan bank or in certificates of deposit or depository receipts of any financial institution.

(2) Assets acceptable for pledging to secure deposits of funds under this act are limited to any of the following:

(a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

(i) Securities issued by the federal home loan mortgage corporation.

(ii) Securities issued by the federal national mortgage association.

(iii) Securities issued by the government national mortgage association.

(c) Other securities considered acceptable to the depositor of funds and the financial institution.

(3) As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States.

History: 1934, 1st Ex. Sess., Act 23, Imd. Eff. Mar. 28, 1934 ;-- CL 1948, 129.81 ;-- Am. 1964, Act 122, Eff. Aug. 28, 1964 ;-- Am. 1997, Act 46, Imd. Eff. June 30, 1997