

Act No. 46
Public Acts of 1997
Approved by the Governor
June 30, 1997
Filed with the Secretary of State
June 30, 1997
EFFECTIVE DATE: June 30, 1997

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Reps. Gernaat, Kukuk, Rhead, Walberg, Richner, Kaza and Jaye

ENROLLED HOUSE BILL No. 4599

AN ACT to amend 1934 (1st Ex Sess) PA 23, entitled "An act authorizing the investment in bonds of the home owners' loan corporation and bonds of federal home loan banks by the state and all its departments and political subdivisions, including municipal corporations, and instrumentalities, and by any insurance company, building and loan association or company, savings and loan association or company, bank, trust company or other financial institution, and by any executor, administrator, guardian, trustee or fiduciary; authorizing the use of such bonds as security by any depository of funds; and authorizing certain deposits with the state treasurer to be in such bonds," by amending section 1 (MCL 129.81).

The People of the State of Michigan enact:

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.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.