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

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.

History: 1934, 1st Ex. Sess., Act 23, Imd. Eff. Mar. 28, 1934.

The People of the State of Michigan enact:

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.

129.82 Public funds; deposit as security.

Sec. 2. Wherever depositories of public or other funds are required or permitted by law to give security therefor, the bonds of the home owners' loan corporation or of any federal home loan bank may and are hereby authorized to be used as security for any depository bonds or obligations wherein any kind of bonds or other security are required or permitted by law to be deposited as security.

Deposits of trust companies and insurance companies with the state treasurer, are hereby authorized to be in the bonds of the home owners' loan corporation or in the bonds of any federal home loan bank.

History: 1934, 1st Ex. Sess., Act 23, Imd. Eff. Mar. 28, 1934;—CL 1948, 129.82.

129.83 Construction of act.

Sec. 3. This act shall be construed as supplemental to the laws of this state, and as an additional authorization for the investment of funds and the type of security given by depositories, and the type of deposit authorized to be made by trust companies and insurance companies with the state treasurer.

History: 1934, 1st Ex. Sess., Act 23, Imd. Eff. Mar. 28, 1934;—CL 1948, 129.83.

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