

15 the approval has been revoked. The administrator also may bring such an action
16 to enjoin any person who fails to obtain any approval required by this chapter.

Approved June 26, 1976

CHAPTER 1215

STATE BANKS INVESTMENTS

S. F. 357

AN ACT relating to investment by state banks in revenue bonds issued by municipalities in support of industrial projects.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred twenty-four point nine hundred one
2 (524.901), Code 1975, is amended by striking subsection two (2) and inserting in
3 lieu thereof the following:

4 2. A state bank may invest for its own account in other readily marketable
5 bonds or securities, with investment characteristics as defined by the
6 superintendent by general regulation applicable to all state banks, subject to the
7 following limitations:

8 a. The total amount of such bonds or securities of any one issuer or obligor,
9 other than revenue bonds issued by a municipality pursuant to section four
10 hundred nineteen point two (419.2) of the Code, shall not exceed twenty percent
11 of the capital and surplus of the state bank.

12 b. The total amount of revenue bonds issued by a municipality pursuant to
13 section four hundred nineteen point two (419.2) of the Code which have been
14 issued on behalf of any one lessee, as defined in section four hundred nineteen
15 point one (419.1) of the Code, or which are guaranteed by any one guarantor, or
16 which are issued on behalf of or guaranteed by a corporation, a ten percent or
17 greater ownership interest in which is held by or in common with a lessor or
18 guarantor, or any combination of the foregoing whereby the municipality could
19 receive revenues for payment of such bonds from any one person or any group of
20 persons under common control, shall not exceed twenty percent of the capital and
21 surplus of the state bank. A state bank shall obtain the express consent of the
22 superintendent prior to investment by that bank of an amount in excess of twenty
23 percent of its capital and surplus in bonds or securities issued by any one
24 municipality.

25 c. No bond or security shall be eligible for investment by a state bank within
26 this subsection if the bond or security has been in default either as to principal or
27 interest at any time within five years prior to the date of purchase.

Approved May 20, 1976

CHAPTER 1216

RESIDENTIAL LOANS BY BANKS

S. F. 443

AN ACT relating to loans on residential real property by state banks.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred twenty-four point nine hundred five
2 (524.905), subsection two (2), Code 1975, is amended to read as follows:

3 2. A state bank may make permanent loans or combined construction and
4 permanent loans, secured by liens on residential real property consisting of single

5 family or two family residences in amounts not to exceed as follows:
 6 a. Eighty percent of the appraised value of the real property offered as security
 7 and for a term not longer than twenty-five years, provided that the loan is secured
 8 by an amortized mortgage, deed of trust or other such instrument under the terms
 9 of which the installment payments are sufficient to amortize the entire principal
 10 of the loan within a period of not more than twenty-five years.
 11 b. Ninety a. In an amount not to exceed ninety percent of the appraised value of
 12 the real property offered as security and for a term not longer than thirty years,
 13 provided that the loan is secured by an amortized mortgage, deed of trust or other
 14 such instrument under the terms of which the installment payments are sufficient
 15 to amortize the entire principal of the loan within the period ending on the date
 16 of its maturity and provided further, that at least twenty percent of the loan is
 17 insured by a financially responsible private mortgage insurance company
 18 authorized to do business in this state, a period of not more than thirty years.
 19 e b. In the case of a combined construction and permanent loan made pursuant
 20 to this subsection, the amount of the loan shall not exceed eighty or ninety
 21 percent, as the case may be, of the value of the property upon completion of the
 22 construction.

1 SEC. 2. Section five hundred twenty-four point nine hundred five (524.905),
 2 subsection six (6), paragraph e, Code 1975, is amended by adding the following
 3 new subparagraph:

4 NEW SUBPARAGRAPH. In the case of a loan made for the purpose of the
 5 construction for or purchase by the borrower of a single-family or two-family
 6 residence, on the borrower's general credit and income.

Approved March 5, 1976

CHAPTER 1217

STATE BANK INVESTMENTS AS A FIDUCIARY

S. F. 442

AN ACT relating to permissible investments by a state bank acting in a fiduciary capacity.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred twenty-four point one thousand two
 2 (524.1002), subsection two (2), Code 1975, is amended to read as follows:

3 2. Funds of a fiduciary account may be deposited in the state bank which is
 4 acting as fiduciary, either as demand deposits, savings deposits or, for a period
 5 not exceeding one year, in single maturity time deposits or automatically
 6 renewable time deposits for the same lengths of time as originally issued time
 7 deposits having a single or multiple maturity.

Approved March 11, 1976