

524.814 Loan or pledge of assets.

Pursuant to a resolution of its board of directors, a state bank may lend or pledge its assets for the following purposes, and for no other purposes:

1. To secure deposits of the state bank or a bank that is an affiliate of the state bank when a customer is required to obtain such security, or a bank is required to provide security, by the laws of the United States, by any agency or instrumentality of the United States, by the laws of the state of Iowa or another state, by the state board of regents, by a resolution or ordinance relating to the issuance of bonds, by the terms of any interstate compact, or by order of any court of competent jurisdiction. The lending of securities to a bank that is an affiliate, or the pledging of securities for the account of a bank that is an affiliate, shall be on terms and conditions that are consistent with safe and sound banking practices.

2. To secure transactions to hedge risks associated with interest rate exposure, subject to the approval of the superintendent.

3. To secure money borrowed by the state bank, provided that capital notes or debentures issued pursuant to section 524.404 shall not in any event be secured by a pledge of assets or otherwise.

4. To secure participations sold to the federal agricultural mortgage corporation.

[S13, §1889-c; C24, 27, §9268; C31, 35, §9222-c2, 9222-c3, 9268; C39, §9222.2, 9222.3, 9268; C46, 50, 54, 58, 62, 66, §528.12, 528.13, 528.66; C71, 73, 75, 77, 79, 81, §524.814]

89 Acts, ch 257, §9; 2002 Acts, ch 1175, §92, 103; 2010 Acts, ch 1028, §10; 2010 Acts, ch 1189, §41

Subsection 1 amended

NEW subsection 2 and former subsections 2 and 3 renumbered as 3 and 4