

533C.803 Maintenance of permissible investments.

1. A licensee shall maintain at all times permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of its outstanding money transmission obligations.

2. Except for permissible investments enumerated in [section 533C.804, subsection 1](#), the superintendent, with respect to any licensee, may by rule or order limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers, not reflected in the market value of investments.

3. Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency, the filing of a petition by or against the licensee under the federal bankruptcy code, 11 U.S.C. §101 – 110, as amended, for bankruptcy or reorganization, the filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to [this section](#) shall be subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of this statutory trust.

4. Upon the establishment of a statutory trust in accordance with [subsection 3](#), or when any funds are drawn on a letter of credit pursuant to [section 533C.804, subsection 1](#), paragraph "m", the superintendent shall notify the applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice shall be deemed satisfied if performed pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of such purchasers and holders on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in this state, and other states, as applicable. Any statutory trust established hereunder shall be terminated upon extinguishment of all of the licensee's outstanding money transmission obligations.

5. The superintendent by rule or by order may allow other types of investments that the superintendent determines are of sufficient liquidity and quality to be a permissible investment. The superintendent is authorized to participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

[2003 Acts, ch 96, §35, 42; 2023 Acts, ch 83, §34](#)

Referred to in [§533C.307, 533C.401, 533C.804](#)