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SENATE FILE 529

By FROMMELT and BENDA
(Van Drie, Koch, Alt,
Gannon, Caffrey, Grassley,
Radl, Miller of Des Moines
and Pelton)

Passed Senate, Date 4-11-69 Passed House, Date 5-12-69
Vote: Ayes 50 Nays 0 Vote: Ayes 95 Nays 0
Approved 5-16-69

A BILL FOR

1 An Act relating to credit unions.

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

3 Section 1. Section five hundred thirty-three point four
4 (533.4), subsection four (4), Code 1966, is hereby amended by
5 striking the remainder of such subsection after the word
6 "banks" in line one (1) and inserting in lieu thereof a period.

7 Sec. 2. Section five hundred thirty-three point four
8 (533.4), Code 1966, is hereby amended by striking all of sub-
9 section five (5) and inserting in lieu thereof the following:

10 "Make investments in:

11 a. Time deposits in national banks and in state banks, the
12 deposits of which are insured by the federal deposit insurance
13 corporation.

14 b. Obligations, participations, or other instruments of or
15 issued by, or fully guaranteed as to principal and interest
16 by the United States government or any agency thereof; or any
17 trust or trusts established for investing directly or collec-
18 tively in the same.

19 c. General obligations of the state of Iowa and any sub-
20 division thereof.

21 d. Paid up shares of savings and loan associations, the
22 shares of which are insured by the federal savings and loan
23 insurance corporation.

24 e. Purchase of notes of liquidating credit unions with the
25 approval of the superintendent of banking.

1 f. Shares and deposits in other credit unions.

2 g. Capital shares, obligations, or preferred stock issues
3 of any agency or association organized either as a stock com-
4 pany, mutual association, or membership corporation, provided
5 the membership or stockholdings, as the case may be, of such
6 agency or association are confined or restricted to credit
7 unions or organizations of credit unions, and provided the
8 purposes for which such agency or association is organized are
9 designed to provide services to credit unions. However, the
10 aggregate amount invested pursuant to this subsection shall
11 not exceed ten percent of the unimpaired legal reserve account
12 of the credit union.

13 h. Any trust, or in any agency or association organized
14 either as a stock company, mutual association, or membership
15 corporation in an amount not to exceed twenty-five percent of
16 the allocation to the legal reserve account of the credit union
17 during any fiscal year, such amount to be transferred from the
18 legal reserve account. However, the aggregate amount shall not
19 exceed twenty-five percent of the unimpaired legal reserve
20 account of the credit union, and such trust, company, agency,
21 association, or membership corporation shall be controlled by
22 credit unions, by one or more associations of credit unions, or
23 by any organization controlled by credit unions, and the pur-
24 poses of any such trust, company, agency, association, or mem-
25 bership corporation shall be designed to assist in establishing
26 and maintaining liquidity, solvency, or security in credit
27 union operations.

EXPLANATION OF SENATE FILE 529

The present statute provides that a credit union may "invest in any investment legal for savings banks or for trust funds in the state." This bill would provide authority for making certain investments which would clearly define the scope of such investments.