

*See Comm. 2/21  
De Bar - 4/2 (p. 1263)*

MAR 21 1980

Place On Calendar

HOUSE FILE 2572

By COMMITTEE ON COMMERCE

(Formerly House File 2372)

Passed House, Date 3/27/80 (p. 1226) Passed Senate, Date 4/11/80 (p. 1342)

Vote: Ayes 94 Nays 0 Vote: Ayes 41 Nays 0

Approved April 21, 1980

## A BILL FOR

1 An Act relating to the lending and investment powers of  
2 savings and loan associations under section five  
3 hundred thirty-four point nineteen (534.19) of the  
4 Code.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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2572

1 Section 1. Section five hundred thirty-four point nineteen  
2 (534.19), Code 1979, as amended by Acts of the Sixty-eighth  
3 General Assembly, 1979 Session, chapter one hundred twenty-  
4 nine (129), section seven (7), is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. CONSUMER LOANS AND CERTAIN SECURITIES.

7 An association may make consumer loans as defined in chapter  
8 five hundred thirty-seven (537) of the Code, subject to the  
9 consumer loan provisions of that chapter. An association  
10 may invest in, sell, or hold commercial paper, corporate debt  
11 securities and bankers acceptances. The aggregate amount  
12 of such loans and investments at any time may not exceed  
13 twenty percent of the assets of the association. However,  
14 this authority is available only for periods of time when  
15 federally chartered savings and loan associations operating  
16 in this state are granted similar authority, and the state  
17 authorization is subject to the rights and limitations imposed  
18 upon the federally chartered associations for this type of  
19 activity.

20 EXPLANATION

21 This bill amends Code section 534.19, relating to lending  
22 and investment powers of savings and loan associations, to  
23 enable associations to invest up to 20 percent of assets in  
24 commercial paper (e.g., promissory notes and certificates  
25 of deposit), corporate debt securities (e.g., bonds and  
26 debentures), and bankers acceptances (drafts drawn by third  
27 parties but "guaranteed" by the drawee bank), when and to  
28 the extent federal associations are permitted to do so by  
29 federal regulations.

30 The bill would take effect July first following enactment.

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upon the federally chartered associations for this type of activity.

HOUSE FILE 2572

AN ACT

RELATING TO THE LENDING AND INVESTMENT POWERS OF SAVINGS AND LOAN ASSOCIATIONS UNDER SECTION FIVE HUNDRED THIRTY-FOUR POINT NINETEEN (534.19) OF THE CODE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section five hundred thirty-four point nineteen (534.19), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter one hundred twenty-nine (129), section seven (7), is amended by adding the following new subsection:

NEW SUBSECTION. CONSUMER LOANS AND CERTAIN SECURITIES.

An association may make consumer loans as defined in chapter five hundred thirty-seven (537) of the Code, subject to the consumer loan provisions of that chapter. An association may invest in, sell, or hold commercial paper, corporate debt securities and bankers acceptances. The aggregate amount of such loans and investments at any time may not exceed twenty percent of the assets of the association. However, this authority is available only for periods of time when federally chartered savings and loan associations operating in this state are granted similar authority, and the state authorization is subject to the rights and limitations imposed

\_\_\_\_\_  
WILLIAM H. HARBOR  
Speaker of the House

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TERRY E. BRANSTAD  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2572, Sixty-eighth General Assembly.

\_\_\_\_\_  
BRUCE GRAHAM  
Assistant Chief Clerk of the House

Approved April 21, 1980

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ROBERT D. RAY  
Governor

H.F. 2572