

Commerce
Bergman, Chairperson
Goodwin
Priebe

HOUSE FILE 395

Commerce *Do Pass 3/2*
House File 395

By HANSEN of O'Brien
and HINKHOUSE

Commerce: Crabb, Chair; Chiodo and Schroeder.

See 3/15 Do Pass 2/19 (p. 870)

Passed House, Date 3-12-79 (p. 893) Passed Senate, Date 4-6-79 (p. 1107)

Vote: Ayes 92 Nays 0 Vote: Ayes 42 Nays 0

Approved April 20 1979

A BILL FOR

1 An Act relating to investments in obligations of the United
2 States farm credit system by persons whose investments
3 are restricted by the laws of this state.

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

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395

1 Section 1. Section five hundred fifteen point thirty-five
2 (515.35), subsection one (1), Code 1979, is amended to read
3 as follows:

4 1. FEDERAL AND TERRITORIAL OBLIGATIONS. Bonds or other
5 evidences of indebtedness issued or guaranteed by the United
6 States, ~~federal-farm-loan-bonds~~ notes or other obligations,
7 issued by federal land banks, federal intermediate credit
8 banks, banks for cooperatives, or any of all of the federal
9 farm credit banks, federal home loan bank bonds, home owners'
10 loan corporation bonds, bonds, notes or obligations
11 representing loans and advances of credit which are eligible
12 for insurance by the federal housing administrator, and bonds,
13 notes or obligations secured by real property or leasehold
14 which the federal housing administrator has insured or has
15 committed himself or herself to insure or debentures issued
16 by such administrator.

17 Sec. 2. Section five hundred thirty-three point four
18 (533.4), subsection five (5), Code 1979, is amended by adding
19 the following new lettered paragraph:

20 NEW LETTERED PARAGRAPH. Obligations issued by federal
21 land banks, federal intermediate credit banks, banks for
22 cooperatives, or any or all of the federal farm credit banks.

23 Sec. 3. Section six hundred eighty-two point twenty-three
24 (682.23), subsection two (2), Code 1979, is amended to read
25 as follows:

26 2. FEDERAL BANK BONDS. Bonds, notes or other obligations
27 issued by any federal land bank ~~or-by-the-federal-Farm-Mortgage~~
28 ~~Corperation-or-any-corporation-or-governmental-agency-or-in-~~
29 ~~strumentality-authorized-to-issue-bonds,-or-debentures-under~~
30 ~~the-Act-of-Congress-designated-as-the-federal-Farm-Loan-Act~~
31 ~~(12-USC,--ss641-1012,-1021-1129)-and-Acts-amendatory-thereof,~~
32 federal intermediate credit bank, bank for cooperatives, or
33 any or all of the federal farm credit banks, and in bonds
34 issued by any federal home loan bank under the Act of Congress
35 known and cited as the federal Home Loan Bank Act, (12 USC,

1 ssl421-1449) and the Acts amendatory thereof.

2 EXPLANATION

3 This bill amends Iowa law to recognize changes in the
4 federal farm credit system and the manner in which securities
5 are issued by the institutions which comprise the federal
6 farm credit system.

7 The Federal Farm Loan Act and the Federal Farm Credit Act
8 (12 U.S.C. s. 621, et seq.) have been revised and reenacted
9 as the Farm Credit Act of 1971 (P.L. 92-181, 12 U.S.C. s.
10 2001 et seq.). The farm credit administration, an independent
11 agency in the executive branch of the United States government,
12 is the regulatory agency for the 12 federal land banks, the
13 12 federal intermediate credit banks, and the 13 banks for
14 cooperatives. The farm credit administration is issuing new
15 regulations governing the method by which farm credit
16 institutions issue obligations and obtain funds.

17 Section 1 of this bill modifies language contained in the
18 insurance laws which govern nonlife companies to reflect
19 the changes in federal law. The amendment to section 515.35
20 also changes the investment powers of county mutual insurance
21 associations under section 518.14 of the Code, and mutual
22 assessment insurance corporations under section 518A.12 of
23 the Code.

24 Section 2 adds a new provision to the credit union chap-
25 ter of the Code (533) to enable credit unions to invest in
26 the federal farm credit system.

27 Section 3 amends the Code provisions which regulate in-
28 vestments by fiduciaries to reflect the changes in the fed-
29 eral farm credit system.

30 The bill would take effect July first following its en-
31 actment.

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HOUSE FILE 395

AN ACT

RELATING TO INVESTMENTS IN OBLIGATIONS OF THE UNITED STATES FARM CREDIT SYSTEM BY PERSONS WHOSE INVESTMENTS ARE RESTRICTED BY THE LAWS OF THIS STATE.

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

Section 1. Section five hundred fifteen point thirty-five (515.35), subsection one (1), Code 1979, is amended to read as follows:

1. FEDERAL AND TERRITORIAL OBLIGATIONS. Bonds or other evidences of indebtedness issued or guaranteed by the United States, ~~federal farm loan bonds~~ notes or other obligations, issued by federal land banks, federal intermediate credit banks, banks for cooperatives, or any of all of the federal farm credit banks, federal home loan bank bonds, home owners' loan corporation bonds, bonds, notes or obligations representing loans and advances of credit which are eligible for insurance by the federal housing administrator, and bonds, notes or obligations secured by real property or leasehold which the federal housing administrator has insured or has committed himself or herself to insure or debentures issued by such administrator.

Sec. 2. Section five hundred thirty-three point four (533.4), subsection five (5), Code 1979, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. Obligations issued by federal land banks, federal intermediate credit banks, banks for cooperatives, or any or all of the federal farm credit banks.

Sec. 3. Section six hundred eighty-two point twenty-three (682.23), subsection two (2), Code 1979, is amended to read as follows:

2. FEDERAL BANK BONDS. Bonds, notes or other obligations issued by any federal land bank ~~or by the federal Farm Mortgage~~

~~Corporation or any corporation or governmental agency or instrumentality authorized to issue bonds, or debentures under the Act of Congress designated as the federal Farm Loan Act (12 USC, ss641-1012, 1021-1129) and Acts amendatory thereof, federal intermediate credit bank, bank for cooperatives, or any or all of the federal farm credit banks, and in bonds issued by any federal home loan bank under the Act of Congress known and cited as the federal Home Loan Bank Act, (12 USC, ss1421-1449) and the Acts amendatory thereof.~~

FLOYD H. MILLEN
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 395, Sixty-eighth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved April 20, 1979

ROBERT D. RAY
Governor

H.F. 395