

JAN 28 1991

Commerce *As Passed 2/1*

HOUSE FILE 110

BY GILL

Passed House, Date 2/12/91 (p. 374) Passed Senate, Date 3/12/91 (p. 624)

Vote: Ayes 26 Nays 0 Vote: Ayes 47 Nays 0

Approved March 28, 1991 (p. 966)

A BILL FOR

1 An Act relating to collateral acceptable to secure a loan or  
2 other transaction with a state bank.

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

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HF 110

1 Section 1. Section 524.1102, subsection 2, unnumbered  
2 paragraph 2, Code 1991, is amended to read as follows:

3 Within the foregoing limitations, each loan or extension of  
4 credit of any kind or character to an affiliate shall be  
5 secured by collateral in the form of shares of stock, bonds,  
6 capital securities or other such obligations having a market  
7 value at the time of making the loan or extension of credit of  
8 at least twenty percent more than the amount of the loan or  
9 extension of credit, or of at least ten percent more than the  
10 amount of the loan or extension of credit if it is secured by  
11 obligations of any state, or of any political subdivision or  
12 agency thereof of the state, or of at least one hundred  
13 percent of the amount of the loan or extension of credit if it  
14 is secured by a segregated, earmarked deposit account with the  
15 state bank.

16 EXPLANATION

17 This bill provides that an affiliate bank may pledge as  
18 collateral for a loan, extension of credit, or purchase of  
19 securities under a repurchase agreement from a state bank, a  
20 segregated deposit account of at least the 100 percent of the  
21 amount of the loan or other extension of credit.

is secured by a segregated, earmarked deposit account with the state bank.

HOUSE FILE 110

AN ACT

RELATING TO COLLATERAL ACCEPTABLE TO SECURE A LOAN OR  
OTHER TRANSACTION WITH A STATE BANK.

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

Section 1. Section 524.1102, subsection 2, unnumbered paragraph 2, Code 1991, is amended to read as follows:

Within the foregoing limitations, each loan or extension of credit of any kind or character to an affiliate shall be secured by collateral in the form of shares of stock, bonds, capital securities or other such obligations having a market value at the time of making the loan or extension of credit of at least twenty percent more than the amount of the loan or extension of credit, or of at least ten percent more than the amount of the loan or extension of credit if it is secured by obligations of any state, or of any political subdivision or agency thereof of the state, or of at least one hundred percent of the amount of the loan or extension of credit if it

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ROBERT C. ARNOULD  
Speaker of the House

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JOE J. WELSH  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 110, Seventy-fourth General Assembly.

Approved *March 28*, 1991

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JOSEPH O'HERN  
Chief Clerk of the House

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TERRY E. BRANSTAD  
Governor

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