

# House File 354 - Introduced

HOUSE FILE \_\_\_\_\_  
BY KRESSIG

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the deposit of public funds with corporate  
2 credit unions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1539HH 82  
5 rn/gg/14

PAG LIN

1 1 Section 1. Section 12C.16, subsection 1, paragraph b,  
1 2 subparagraph (4), Code 2007, is amended to read as follows:  
1 3 (4) To the extent of the guarantee, loans, obligations, or  
1 4 nontransferable letters of credit upon which the payment of  
1 5 principal and interest is fully secured or guaranteed by the  
1 6 United States of America or an agency or instrumentality of  
1 7 the United States of America or the U. S. central credit  
1 8 union, a corporate central credit union organized under  
1 9 section 533.38, or a corporate credit union ~~organized under 12~~  
~~1 10 C.F.R. } 704 whose activities are subject to regulation by the~~  
~~1 11 national credit union administration~~, and the rating of any  
1 12 one of such credit unions remains within the two highest  
1 13 classifications of prime established by at least one of the  
1 14 standard rating services approved by the superintendent of  
1 15 banking by rule pursuant to chapter 17A. The treasurer of  
1 16 state shall adopt rules pursuant to chapter 17A to implement  
1 17 this section.

1 18 Sec. 2. Section 12C.17, subsection 1, paragraph c, Code  
1 19 2007, is amended to read as follows:

1 20 c. The securities shall be deposited with the federal  
1 21 reserve bank, the federal home loan bank of Des Moines, Iowa,  
1 22 or the U. S. central credit union, a corporate central credit  
1 23 union organized under section 533.38, or a corporate credit  
1 24 union ~~organized under 12 C.F.R. } 704 whose activities are~~  
~~1 25 subject to regulation by the national credit union~~  
~~1 26 administration~~ pursuant to a bailment agreement or a pledge  
1 27 custody agreement.

1 28 Sec. 3. Section 12C.17, subsection 4, Code 2007, is  
1 29 amended to read as follows:

1 30 4. Upon written request from the appropriate public  
1 31 officer but not less than monthly, the federal home loan bank  
1 32 of Des Moines, Iowa, the U. S. central credit union, a  
1 33 corporate central credit union organized under section 533.38,  
1 34 or a corporate credit union ~~organized under 12 C.F.R. } 704~~  
~~1 35 whose activities are subject to regulation by the national~~  
~~2 1 credit union administration~~ shall report a description, the  
2 2 par value, and the market value of any pledged collateral by a  
2 3 credit union.

### EXPLANATION

2 4  
2 5 This bill changes the manner in which corporate credit  
2 6 unions are referenced in the sections of Code chapter 12C  
2 7 dealing with securing deposits of public funds in credit  
2 8 unions. Code sections 12C.16 and 12C.17 provide for the  
2 9 deposit of securities with, among other entities, corporate  
2 10 credit unions organized under 12 C.F.R. } 704, which regulates  
2 11 corporate credit unions. In 12 C.F.R. } 700.2, a corporate  
2 12 credit union is defined as an organization which receives  
2 13 shares from and provides loan services to credit unions, and  
2 14 is operated primarily for the purpose of serving other credit  
2 15 unions. The bill changes the reference to 12 C.F.R. } 704 to  
2 16 the more general designation of corporate credit unions whose  
2 17 activities are subject to regulation by the national credit  
2 18 union administration.  
2 19 LSB 1539HH 82  
2 20 rn:rj/gg/14

