

February 11, 1963.
Place on Calendar.

House File 220
By COMMITTEE ON BANKS, BUILDING
AND LOAN.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

*Withdrawn 2/19
Senate File 129
substituted*

A BILL FOR

An Act relating to investments by savings banks and state banks
and trust companies.

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

- 1 Section 1. Section five hundred twenty-six point twenty-
- 2 five (526.25) Code 1962, is hereby amended by adding thereto
- 3 the following new subsection:
- 4 "8. In any other public or private investment security
- 5 under such limitations and restrictions as the superintendent
- 6 of banking may by regulation prescribe and provided that said
- 7 investments shall in no event exceed in the aggregate twenty
- 8 per cent (20%) of the total resources of said bank."

EXPLANATION OF HOUSE FILE 220

This bill would afford to our state banks the same broadened latitude in the investment of funds as our national banks now have. See Title 12, U. S. Code Annotated, Section 24. Section 526.29 of the 1962 Code of Iowa was originally enacted many years ago by the 15th General Assembly and, in the opinion of some attorneys, it is now considered as not clearly applying to certain more recent U. S. Government securities notwithstanding that the good faith of the federal government is made apparent by a guarantee of both principal and interest. To certainly provide the same investment latitude as national banks exercise, the attorney general of Iowa and the state banking department believe that the Iowa statute should be clarified by this measure. Of course, there should be restrictions and limitations which the superintendent of banking has provided and will and can provide under his authority to do so (section 524.10, Code 1962).