

CHAPTER 88—S. F. No. 376

An act to amend Laws 1935, Chapter 49, Sections 1 and 2, authorizing certain financial institutions and fiduciaries to make loans and investments pursuant to the National Housing Act, and to use certain securities for deposit purposes.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Certain banks, etc., to make loans under National Housing Act.—That Laws 1935, Chapter 49, Section 1, is hereby amended so as to read as follows:

“Section 1. Pursuant to such regulations as the commissioner of banks of the state of Minnesota finds to be necessary and proper, banks, savings banks, mutual savings banks, building and loan associations and savings and loan associations, trust companies, trust companies acting as fiduciaries, and other banking institutions subject to the supervision of the commissioner of banks are authorized:

(a) To make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are insured by the *Federal Housing Administrator*, and to obtain such insurance.

(b) To make such loans secured by mortgages on real property which the *Federal Housing Administrator* has insured or made a commitment to insure and to obtain such insurance.”

Sec. 2. Limitations of Act.—That Laws 1935, Chapter 49, Section 2, is hereby amended so as to read as follows:

“Sec. 2. No law in this state prescribing the nature, amount or form of security or requiring security upon which loans or advances of credit may be made, or prescribing or limiting interest rates upon loans or advances of credit, or prescribing or limiting the period for which loans or advances of credit may be made shall be deemed to apply to loans, advances of credit or purchases made pursuant to the foregoing paragraphs (a) and (b).

(a) Such institutions may invest in notes or bonds secured by mortgage or trust deed insured pursuant to section 1 (b) above, and in securities issued by National Mortgage Associations.

(b) The notes, bonds and other securities herein made eligible for investment may be used *wherever, by statute, collateral is required as security for the deposit of public or other funds; or deposits are required to be made with any public official or department; or an investment of capital or surplus, or a reserve or other fund, is required to be maintained consisting of designated securities.*”

Approved March 23, 1937.