



Ohio Revised Code

Section 1111.04 Trust company pledging securities.

Effective: October 3, 2023

Legislation: House Bill 33

(A) Prior to soliciting or engaging in trust business in this state, a trust company shall pledge to the superintendent of financial institutions interest bearing securities authorized in division (B) of this section, having a par value, not including unaccrued interest, of one hundred thousand dollars, and approved by the superintendent. The trust company may pledge the securities either by delivery to the superintendent or by placing the securities with a qualified trustee for safekeeping to the account of the superintendent of financial institutions, the corporate fiduciary, and any other person having an interest in the securities under Chapter 1109. of the Revised Code, as their respective interests may appear and be asserted by written notice to or demand upon the qualified trustee or by order of judgment of a court.

(B) Securities pledged by a trust company to satisfy the requirements of division (A) of this section shall be one or more of the following:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States or for which the full faith and credit of the United States is pledged for the payment of principal and interest;
- (2) Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States;
- (3) General obligations of this or any other state of the United States or any subdivision of this or any other state of the United States.

(C) The superintendent of financial institutions shall review, approve, and accept delivery of securities pursuant to this section and shall issue a written acknowledgment of the delivery of the securities or the qualified trustee's receipt and the superintendent's approval to the trust company.

(D) The superintendent shall approve securities to be pledged by a trust company pursuant to this section if the securities are all of the following:



(1) Interest bearing and of the value required by division (A) of this section;

(2) Of one or more of the kinds authorized by division (B) of this section and not a derivative of or merely an interest in any of those securities;

(3) Not in default.

(E) The superintendent of financial institutions shall permit a trust company to pledge securities in substitution for securities pledged pursuant to this section and the withdrawal of the securities substituted for so long as the securities remaining pledged satisfy the requirements of division (A) of this section. The superintendent shall permit a trust company to collect interest paid on securities pledged pursuant to this section so long as the trust company is solvent. The superintendent shall permit a trust company to withdraw securities pledged pursuant to this section when the trust company has ceased to solicit or engage in trust business in this state.

(F) For purposes of this section, a qualified trustee is a federal reserve bank, a federal home loan bank, a trust company as defined in section 1101.01 of the Revised Code, or a national bank or federal savings association that has pledged securities pursuant to this section, is authorized to accept and execute trusts, and is doing business under authority granted by the office of the comptroller of the currency. However, a national bank or federal savings association doing business under authority granted by the office of the comptroller of the currency or a trust company may not act as a qualified trustee for securities it or any of its affiliates is pledging pursuant to this section.

(G) The superintendent, with the approval of the attorney general, shall prescribe the form of all receipts and acknowledgments provided for by this section, and upon request shall furnish a copy of each form, with the superintendent's certification attached, to each qualified trustee eligible to hold securities for safekeeping under this section.