



Ohio Revised Code

Section 1761.13 Investing or depositing funds.

Effective: March 23, 2015

Legislation: House Bill 652 - 130th General Assembly

(A) A credit union share guaranty corporation shall invest or deposit its funds in the following manner:

- (1) In banks incorporated under the laws of this or any other state, or the United States;
- (2) In negotiable certificates of deposit and bankers acceptances;
- (3) In share certificates deposited in or any form of evidence of interest or indebtedness of any credit union organized under Chapter 1733. of the Revised Code or comparable state law if insured, or whose member accounts are insured as provided for by Title II of the "Federal Credit Union Act," 84 Stat. 994, (1970), 12 U.S.C.A. 1781, as amended, or by comparable insurance. No investment under division (A)(3) of this section shall be in a participating credit union.
- (4) In accounts with, investment certificates or withdrawable shares of, any savings and loan association that is an insured institution as defined by Title IV of the "National Housing Act," 48 Stat. 1255 (1934), 12 U.S.C.A. 1724, as amended.
- (5) In United States government securities or United States government agency obligations;
- (6) In bonds or other evidence of indebtedness rated in the three highest ratings of Standard and Poor's or Moody's service, not in default as to principal or interest, that are valid obligations issued, assumed, or guaranteed by any state, county, or municipal corporation of the United States;
- (7) In bonds or other evidence of indebtedness rated in the three highest ratings by Standard and Poor's or Moody's service, not in default as to principal or interest, that are valid obligations issued, assumed, or guaranteed by any corporation incorporated under the laws of the United States or a state and described in division (D)(1) of section 3925.08 of the Revised Code. However, a credit union share guaranty corporation shall not invest in any such corporate security containing any



provision of optionality, including, but not limited to, any derivative security.

(8) In the common stock of any federal home loan bank of which the corporation is a member, for the purpose of maintaining a line of credit or source of liquidity through borrowings from the bank, if the bank requires its members to purchase and hold its common stock referred to as either of the following:

(a) Membership stock, subject to an annual adjustment made by the bank based on the corporation's admitted total assets as reported in its filings with the superintendent of insurance;

(b) Activity stock as may be required by the bank whenever the corporation borrows from the bank and for as long as any of those funds remain outstanding.

(9) In any other investments that are expressly approved by the superintendent of credit unions and the superintendent of insurance or are permitted by rules adopted by the superintendents pursuant to division (C) of section 1761.04 of the Revised Code, but such other investments shall not exceed twenty per cent of the sum of the capital contributions, retained and undivided earnings, and any borrowings made in accordance with section 3901.72 of the Revised Code of the corporation. The superintendents shall not permit the corporation to make any investment in any unrelated corporation or unrelated subsidiary without the prior written approval of the superintendent of credit unions and the superintendent of insurance.

(B) The maximum investment in securities of any one corporation shall not exceed ten per cent of the guarantee fund at the time the investment is made.

(C) The corporation's directors, officers, committee members, and employees, and immediate family members of such individuals, are prohibited from receiving pecuniary or any other type of consideration in connection with the making of an investment or deposit by the corporation.

(D) Within thirty days of appointment, each officer, agent, or employee having control or access to funds or securities owned by or pledged with a credit union share guaranty corporation shall be provided with fidelity bond coverage by the corporation in an amount commensurate with the risk involved.



(E) With the express written approval of the board of directors and the superintendent of credit unions and the superintendent of insurance, the corporation may invest in publicly traded preferred and common stocks, as permitted by section 3925.08 of the Revised Code, in an aggregate amount not to exceed the corporation's statutory unassigned surplus as reduced by its authorized control level risk-based capital.