



Ohio Revised Code

Section 131.09 First mortgage loans as security for deposit of public money.

Effective: September 29, 2015

Legislation: House Bill 64 - 131st General Assembly

In addition to the undertakings or security provided for in sections 135.01 to 135.40 of the Revised Code, the treasurer of a subdivision or county may accept first mortgages, upon unencumbered real estate located in this state, provided the amount owing on such mortgages at the time tendered as security is double the excess of the amount of public moneys to be at the time so deposited, over and above any portion of such moneys as is then insured by the federal deposit insurance corporation, federal savings and loan insurance corporation, or any other agency or instrumentality of the federal government. The amount owing on each mortgage at the time tendered as security shall not exceed eighty per cent of the then value of the real estate. Upon the deposit of such security, the treasurer shall require the financial institution to submit an affidavit stating that no payment on a mortgage has been more than two months past due at any time during the two-year period preceding the date the public moneys are deposited. At such time, the treasurer shall also require an institution to submit an affidavit stating that any structures on the mortgaged real estate are insured by an authorized company in an amount not less than the amount owing on each mortgage at the time tendered as security, that coverage has been obtained in favor of the institution by the named authorized company, and that the institution has obtained a mortgage impairment policy which assures that such insurance will continue for the period that the public moneys are deposited with the institution. The value of such real estate shall be determined separately for land and structures thereon by valuation made under oath by two resident freeholders of this state who are conversant with the real estate values of the county in which the real estate is located or made and certified under oath by an appraiser as being in conformity with the appraisal requirements imposed on an institution by any agency or instrumentality of the federal government. If such determination has been made earlier than a period of three months prior to the time of the deposit of public moneys, such determination shall be updated to reflect the value of the real estate within such three-month period. There shall be deposited with the mortgage the opinion of an attorney licensed to practice in this state, which opinion shall certify that the mortgage is a first lien upon the premises mortgaged, or the title shall be guaranteed by a company operating under sections 1735.01 to 1735.04 of the Revised Code or insured by a company operating under Chapter 3953. of the Revised Code.



If any mortgage tendered as security is paid in full or if the mortgagor becomes past due for six months to the financial institution while it acts as a public depository and that mortgage has been assigned as security for such public moneys, the financial institution shall replace such mortgage with another in compliance with this section. Default by the financial institution as a public depository under this section is to be carried out in accordance with division (F) of section 135.18 of the Revised Code.