

386.030 Investment of funds of financial institutions and funds in hands of public officials.

- (1) Banks, trust companies, insurance companies, savings and loan associations, executors, administrators, trustees or others acting in a fiduciary capacity, trust funds, and other financial institutions, originating mortgagee institutions, and other institutions approved as mortgagees and meeting otherwise the requirements of the secretary of housing and urban development, the Federal Housing Administration or Veterans Administration to act as mortgagees under that agency's approval program, subject to the laws of this state, may:
 - (a) Make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for credit insurance or guaranty by the secretary of housing and urban development, the federal housing administrator or administrator of veterans' affairs, and may obtain such insurance, guaranty or other approval;
 - (b) Make such loans secured by real property or leasehold, as the secretary of housing and urban development, the federal housing administrator or administrator of veterans' affairs insures or issues a guaranty or makes a commitment to insure, or guaranty, and may obtain such insurance, or guaranty;
 - (c) Invest their funds, eligible for investment, in notes or bonds secured by mortgage or trust deed insured by the secretary of housing and urban development, the federal housing administrator or administrator of veterans' affairs, and in debentures issued by the secretary of housing and urban development, the federal housing administrator or administrator of veterans' affairs, and also in securities issued by national mortgage associations; and
 - (d) Invest their funds in real estate mortgage notes, bonds and other interest-bearing or dividend-paying securities (including securities of any open-end or closed-end management type investment company or investment trust registered under the Federal Investment Company Act of 1940) which would be regarded by prudent businessmen as a safe investment. The fact that the persons listed in this subsection are providing services to the foregoing investment company or trust as investment advisor, custodian, transfer agent, registrar or otherwise shall not preclude such persons from investing in the securities of such investment company or trust.
- (2) This state and any of its political subdivisions, or any agency or instrumentality thereof may invest its funds and the moneys in its custody or possession, eligible for investment, in notes or bonds described in paragraph (c) of subsection (1) of this section.
- (3) No law of this state requiring security upon which loans or investments may be made, or prescribing the nature, amount or form of the security, or prescribing or limiting interest rates upon loans or investments, or limiting investments of capital or deposits, or prescribing or limiting the period for which loans or investments may be made, shall apply to loans or investments made pursuant to this section.

Effective: July 15, 1986

History: Amended 1986 Ky. Acts ch. 391, sec. 2, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 408, sec. 66, effective July 13, 1984. -- Amended 1972 Ky. Acts ch. 327, sec. 1. -- Amended 1970 Ky. Acts ch. 205, sec. 1. -- Amended 1968 Ky. Acts ch. 152, sec. 159. -- Amended 1960 Ky. Acts ch. 163, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4706-6, 4706-7, 4706-9.