

§419. Investment powers

1. Investment and equity securities. A financial institution is authorized to purchase, sell, underwrite and hold investment securities and equity securities, consistent with safe and sound banking practices. For purposes of this section, the term "investment securities" includes credit instruments such as commercial paper, banker's acceptances, certificates of deposit, repurchase agreements and overnight federal funds, in addition to marketable obligations in the form of bonds, notes, debentures or other similar instruments that are commonly regarded as investment securities. A financial institution's holding of equity securities is limited to 100% of its total capital unless a higher limit is authorized by the superintendent. The purchase of speculative securities or equities is prohibited, except that a financial institution may make venture capital investments up to 20% of the institution's total capital unless a higher limit is authorized by the superintendent.

[PL 1997, c. 398, Pt. I, §10 (NEW).]

2. Written investment policy. A financial institution's governing body shall establish a written investment policy, which it shall review and ratify at least annually, that addresses, at a minimum, the following:

A. Investment quality parameters; [PL 1997, c. 398, Pt. I, §10 (NEW).]

B. Investment mix and diversification; [PL 1997, c. 398, Pt. I, §10 (NEW).]

C. Investment maturities; and [PL 1997, c. 398, Pt. I, §10 (NEW).]

D. Delegation of authority to officers and committees responsible for administering the portfolio.
[PL 1997, c. 398, Pt. I, §10 (NEW).]

[PL 1997, c. 398, Pt. I, §10 (NEW).]

SECTION HISTORY

PL 1997, c. 398, §10 (NEW).

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