

Chapter 39.60 RCW
INVESTMENT OF FUNDS IN BONDS, NOTES, ETC.—COLLATERAL

Sections

- 39.60.010 Investment of trust funds authorized.
- 39.60.020 Exchange of securities for federal agency bonds.
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*Bonds and warrants of state and municipal corporations as investment
and collateral for public funds:*

- ferry system bonds: RCW 47.60.100.*
- metropolitan municipal corporation bonds: RCW 35.58.510.*
- public utility district bonds and warrants: RCW 54.24.120.*
- state warrants: RCW 43.84.120.*
- toll bridge bonds: RCW 47.56.150, 47.58.070, 47.60.100.*

*Investments in bonds and warrants of state and municipal corporations
authorized for:*

- cities of first class, employees' retirement fund: RCW
41.28.080.*
- city and town pension funds: RCW 35.39.060.*
- current state funds: RCW 43.84.080.*
- metropolitan municipal corporation funds: RCW 35.58.520.*
- mutual savings banks: RCW 32.20.050, 32.20.070, 32.20.110,
32.20.120, 32.20.130.*
- permanent school fund: State Constitution Art. 16 s 5
(Amendment 44).*
- savings and loan associations: RCW 33.24.030, 33.24.050,
33.24.080.*
- statewide city employees' retirement fund: RCW 41.44.100.*
- volunteer firefighters' relief and pension principal fund
and reserve officers' relief and pension principal fund:
RCW 41.24.030.*
- workers' compensation funds: RCW 51.44.100.*

Investments in federal bonds and securities authorized for:

- cities and towns: RCW 35.39.030.*
- current state funds: RCW 43.84.080.*
- mutual savings banks: RCW 32.20.030.*
- savings and loan associations: RCW 33.24.020.*
- school district funds: RCW 28A.320.330.*
- school districts, first class, insurance reserve funds: RCW
28A.330.110.*
- statewide city employees' retirement fund: RCW 41.44.100.*
- workers' compensation funds: RCW 51.44.100.*

RCW 39.60.010 Investment of trust funds authorized.

Notwithstanding the provisions of any other statute of the state of Washington to the contrary, it shall be lawful for any insurance company, savings and loan association, or for any bank, trust company or other financial institution, operating under the laws of the state

of Washington, or for any executor, administrator, guardian or conservator, trustee or other fiduciary to invest its funds or the moneys in its custody or possession, eligible for investment, in notes or bonds secured by mortgage which the Federal Housing Administrator has insured or has made a commitment to insure in obligations of national mortgage associations, in debentures issued by the Federal Housing Administrator, and in the bonds of the Home Owner's Loan Corporation, a corporation organized under and by virtue of the authority granted in H.R. 5240, designated as the Home Owner's Loan Act of 1933, passed by the congress of the United States and approved June 13, 1933, and in bonds of any other corporation which is or hereafter may be created by the United States, as a governmental agency or instrumentality. [2016 c 152 s 13; 1939 c 32 s 1; 1935 c 11 s 1; 1933 ex.s. c 37 s 1; RRS s 5545-1.]

Severability—1933 ex.s. c 37: "If any section, subsection, sentence, clause or phrase of this act for any reason shall be held to be unconstitutional, such holding shall not affect the validity of the remaining portion of this act. The legislature hereby declares that it would have passed this act in each section, subsection, sentence, clause and phrase thereof, separately and irrespective of the fact that any one or more of the sections, subsections, sentences, clauses or phrases be unconstitutional." [1933 ex.s. c 37 s 4.]

RCW 39.60.020 Exchange of securities for federal agency bonds. Notwithstanding the provisions of any other statute of the state of Washington to the contrary, it shall be also lawful for any insurance company, savings and loan association, building and loan association, or for any bank, trust company or other financial institution, operating under the laws of the state of Washington, or for any executor, administrator, guardian or conservator, trustee or other fiduciary, to exchange any mortgages, contracts, judgments or liens owned or held by it, for the bonds of the Home Owners' Loan Corporation, a corporation organized under and by virtue of the authority granted in H.R. 5240, designated as The Home Owners' Loan Act of 1933, passed by the congress of the United States and approved June 13, 1933, or for the bonds of any other corporation which is or hereafter may be created by the United States as a governmental agency or instrumentality; and to accept said bonds at their par value in any such exchange. [2016 c 152 s 14; 1933 ex.s. c 37 s 2; RRS s 5545-2.]

Severability—1933 ex.s. c 37: See note following RCW 39.60.010.

RCW 39.60.030 Obligations eligible as collateral security. Wherever, by statute of this state, collateral is required as security for the deposit of funds; or deposits are required to be made with any public official or department; or an investment of capital or surplus, or a reserve or other fund is required to be maintained consisting of designated securities, the bonds and other securities herein made eligible for investment shall also be eligible for such purpose. [2016 c 152 s 15; 1939 c 32 s 2; 1935 c 11 s 2; 1933 ex.s. c 37 s 3; RRS s 5545-3.]

Severability—1933 ex.s. c 37: See note following RCW 39.60.010.

RCW 39.60.040 Insured shares, deposits or accounts as collateral—Partially guaranteed obligations. The obligations issued pursuant to said Federal Home Loan Bank Act and to said Title IV of the National Housing Act as such acts are now or hereafter amended, and the shares, deposits or accounts of any institution which has the insurance protection provided by Title IV of the National Housing Act, as now or hereafter amended, may be used at face value or withdrawal value, and bonds or other interest bearing obligations as to which the payment of some but less than the full principal and interest is guaranteed by the United States of America or any agency thereof may be used to the extent of the portion so guaranteed, wherever, by statute of this state or otherwise, collateral is required as security for the deposit of funds, or deposits are required to be made with any public official or department, or an investment of capital or surplus, or a reserve or other fund, is required to be maintained consisting of designated security, or wherever by statute of this state or otherwise, any surety, whether personal, corporate, or otherwise, or any collateral or security, is required or permitted for any purpose, including without limitation on the generality of the foregoing, any bond, recognizance, or undertaking. [2016 c 152 s 16; 1967 ex.s. c 48 s 1; 1941 c 249 s 2; Rem. Supp. 1941 s 3791-2.]

RCW 39.60.050 Investment of trust funds in notes, bonds, or debentures authorized—Requirements. Notwithstanding the provisions of any other statute of the state of Washington to the contrary, it shall be lawful for any executor, administrator, guardian, or conservator, trustee or other fiduciary, to invest its funds or the moneys in its custody or possession, eligible for investment, in notes, bonds, or debentures of savings and loan associations, banks, mutual savings banks, savings and loan service corporations operating with approval of the federal home loan bank, and corporate mortgage companies: PROVIDED, That the notes, bonds or debentures are rated not less than "A" by a nationally recognized rating agency, or are insured or guaranteed by an agency of the federal government or by private insurer authorized to do business in the state: PROVIDED FURTHER, That the notes, bonds and debentures insured or guaranteed by a private insurer shall also be backed by a pool of mortgages equal to the amount of the notes, bonds or debentures. [2016 c 152 s 17; 1970 ex.s. c 93 s 1.]

Severability—1970 ex.s. c 93: "If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected." [1970 ex.s. c 93 s 4.]

Investment in local improvement district notes: RCW 35.45.150.