

IC 28-6.1-8

Chapter 8. Investment and Loan Powers of Savings Banks

IC 28-6.1-8-1

Application of article

Sec. 1. A savings bank may invest the money in the savings bank only as provided in this article.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-2

Making, arranging, purchasing, and selling real estate loans and extensions of credit

Sec. 2. A savings bank may make, arrange, purchase, or sell loans or extensions of credit secured by liens on interests in real estate as provided in IC 28-1-13-7.1.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-3

Making FHA loans, advances of credit, and purchases of obligations

Sec. 3. (a) Subject to rules of the department, a savings bank may do the following:

(1) Make loans and advances of credit and purchases of obligations representing loans and advances of credit eligible for insurance by the federal housing administrator, and to obtain such insurance.

(2) Make loans secured by mortgages on real property or leasehold, as the federal housing administrator insures or makes a commitment to insure, and to obtain such insurance.

(3) To purchase, invest in, and dispose of notes or bonds secured by mortgage or trust deed insured by the federal housing administrator or debentures issued by the federal housing administrator, or bonds or other securities issued by national mortgage associations.

(b) An Indiana law:

(1) prescribing the nature, amount, or form of security;

(2) requiring security upon which loans or advances of credit may be made;

(3) prescribing or limiting interest rates upon loans, advances, or credit; or

(4) prescribing or limiting the period for which loans, advances, or credit may be made;

does not apply to loans, advances of credit, or purchases made under subsection (a).

(c) A rule adopted by the department under this section may apply to one (1) or more savings banks and to one (1) or more localities in Indiana as the department determines.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-4

Lending deposited money

Sec. 4. (a) A savings bank may do the following:

- (1) Lend the money deposited in the savings bank upon:
 - (A) individual credit;
 - (B) the security of comakers or personal endorsement;
 - (C) the mortgage or pledge of personal property, either tangible or intangible; or
 - (D) the pledge of choses in action.
- (2) Discount, purchase, or otherwise acquire retail installment sales contracts, notes, bills of exchange, or acceptance or other choses in action.

(b) The savings bank may contract for and receive on loans and discounts described in this subsection the highest rate of interest allowed by Indiana law to be contracted for and received by individuals.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-5

Investing in real estate

Sec. 5. A savings bank may invest in real estate subject to IC 28-6.1-7-12.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-6

Investing in dealings in exchange

Sec. 6. (a) Subject to subsection (b), a savings bank may invest in dealing in exchange by purchasing and selling sight or time drafts and acceptances payable out of Indiana.

- (b) A draft or an acceptance may not:
- (1) exceed ten thousand dollars (\$10,000); or
 - (2) have to exceed one hundred twenty (120) days to run from the time of its purchase.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-7

Becoming Federal Reserve System member and exercising conferred powers

Sec. 7. A savings bank may do any of the following to become a member of the Federal Reserve System and exercise all powers, not in conflict with Indiana law, conferred on a member of the Federal Reserve Act:

- (1) Purchase and hold, for the purpose of becoming a member of the Federal Reserve System, so much of the capital stock of a federal reserve bank to qualify the savings bank for membership under the Federal Reserve Act (12 U.S.C. 221 et seq.).
- (2) Do any of the following regarding federal deposit insurance:
 - (A) Make a deposit with the Federal Deposit Insurance Corporation to qualify the savings bank for membership in any fund for insurance of deposits provided by 12 U.S.C.

1811 through 1833e.

(B) Purchase and hold the amount of the capital stock of the Federal Deposit Insurance Corporation that will qualify the savings bank for membership in a fund described in clause (A).

(C) Exercise all powers, not in conflict with Indiana law, conferred upon members of a fund described in clause (A) or stockholders of the Federal Deposit Insurance Corporation.

(D) Anything necessary or appropriate to acquire and maintain insurance of the savings bank's deposits in accordance with federal law.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-8

Exercising powers relating to federal home loan banks and corporations

Sec. 8. Subject to any limitations imposed by the department through policy, a savings bank may do any of the following:

(1) Invest the money deposited in the savings bank in the shares of the capital stock, bonds, debentures, notes, or other obligations of a federal home loan bank of the United States.

(2) Become a member of the federal home loan bank of this or an adjoining district.

(3) Borrow money from:

(A) a bank described in subdivision (2);

(B) the Federal Deposit Insurance Corporation; or

(C) any other corporation.

(4) Transfer, assign to, and pledge with a bank described in subdivision (2), the Federal Deposit Insurance Corporation, or other corporation, any of the bonds, notes, contracts, mortgages, securities, or other property of the savings bank held or acquired, as security for the payment of loans entered into under subdivision (3).

(5) Exercise all rights, powers, and privileges conferred upon, and to do all things and perform all acts required of, members or shareholders of a federal home loan bank by the Federal Home Loan Bank Act (12 U.S.C. 1421 through 1449).

As added by P.L.42-1993, SEC.72. Amended by P.L.258-2003, SEC.8.

IC 28-6.1-8-9

Investing in and selling shares of open-end investment companies

Sec. 9. A savings bank may invest the money deposited in the savings bank in and sell shares of open-end investment companies, the portfolios of which consist solely of securities eligible for purchase and sale by national banking associations, on terms and conditions prescribed by federal law or regulation for national banking associations.

As added by P.L.42-1993, SEC.72.

IC 28-6.1-8-10

Depositing funds; permissible institutions and accounts

Sec. 10. A savings bank may deposit its funds in:

- (1) a federally chartered savings association; or
- (2) a savings association or other entity organized and operated according to federal law or the laws of a state or the District of Columbia;

the accounts of which are insured by the Federal Deposit Insurance Corporation.

As added by P.L.42-1993, SEC.72. Amended by P.L.79-1998, SEC.72; P.L.89-2011, SEC.45.