CHAPTER 19

Investments in Housing Obligations

**SECTION 31‑19‑10.** Financial institutions authorized to make loans eligible for Federal housing insurance.

Banks, savings banks, trust companies, insurance companies, Federal Housing Administration approved mortgagees and other financial institutions subject to the laws of this State may:

(1) Make such loans and advances of credit as are eligible for insurance by the Federal Housing Administrator and obtain such insurance;

(2) Make such loans, secured by real property or leasehold, as the Federal Housing Administrator insures or makes commitment to insure and obtain such insurance;

(3) Make such loans as are fully guaranteed by any Federal agency under the provisions of Title III of the Servicemen's Readjustment Act of 1944 or any amendment thereto; and

(4) Make such loans as are partially guaranteed under the provisions of Title III of Servicemen's Readjustment Act of 1944 or any amendment thereto, but only as may be permitted by regulations of the State Board of Bank Control.

HISTORY: 1962 Code Section 36‑601; 1952 Code Section 36‑601; 1942 Code Section 7838‑1; 1935 (39) 67; 1937 (40) 406; 1945 (44) 4; 1968 (55) 2639.

**SECTION 31‑19‑20.** Investments in mortgages, debentures, and securities insured or issued by Federal Housing Administrator or national mortgage associations.

Banks, savings banks, trust companies, insurance companies and other financial institutions and executors, administrators, guardians, committees, conservators and other fiduciaries subject to the laws of this State may invest their funds and the moneys in their custody or possession, available for investment, (a) in mortgages insured by the Federal Housing Administrator, including bonds secured by a mortgage so insured, (b) in debentures issued by said administrator and (c) in securities issued by national mortgage associations.

HISTORY: 1962 Code Section 36‑602; 1952 Code Section 36‑602; 1942 Code Section 7838‑2; 1935 (39) 67; 1937 (40) 406.

**SECTION 31‑19‑30.** Laws requiring security not applicable to loans or investments made pursuant to Sections 31‑19‑10 or 31‑19‑20.

No law of this State

(a) requiring security upon which loans or investments may be made, (b) prescribing the nature, amount or form of such security, (c) prescribing or limiting interest rates upon loans or investments or (d) prescribing or limiting the period for which loans or investments may be made shall be deemed to apply to loans or investments made pursuant to Sections 31‑19‑10 or 31‑19‑20.

HISTORY: 1962 Code Section 36‑603; 1952 Code Section 36‑603; 1942 Code Section 7838‑3; 1935 (39) 67.

**SECTION 31‑19‑40.** Investments in bonds of Home Owners' Loan Corporation.

The State and any of its departments, institutions and agencies, any political subdivision or district of the State, any political or public corporation of the State or of the United States, any insurance company, building and loan association, bank, trust company or other financial institution operating or doing business in the State or under the laws of this State or the United States, any national bank or the receiver of any bank, trust company, building and loan association or other financial institution operating under the laws of this State or of the United States or any executor, administrator, committee, guardian, conservator, trustee or other fiduciary may invest his funds or the moneys in his custody or possession available for investment in bonds of the Home Owners' Loan Corporation, a corporation created or organized pursuant to an act of Congress of the United States of America known as the "Home Owners' Loan Act of 1933," or to exchange for bonds issued by such corporation home mortgages and other obligations and liens secured by real estate, including the interest of a vendor under a purchase money mortgage or contract and any other obligation or claim for which homes or other real estate may be subjected to payment, whether authorized heretofore or not.

HISTORY: 1962 Code Section 36‑604; 1952 Code Section 36‑604; 1942 Code Section 9050‑1; 1934 (38) 1262.

**SECTION 31‑19‑50.** Municipalities authorized to accept bonds in payment of taxes, assessments, and other claims on property.

The municipal authorities of cities and towns of this State may accept and receive bonds of the Home Owners' Loan Corporation in payment of taxes, assessments or other claims on property upon which the taxes, assessments or other claims are due or delinquent and upon which property the Home Owners' Loan Corporation makes a loan to the owner of the property.

HISTORY: 1962 Code Section 36‑605; 1952 Code Section 36‑605; 1942 Code Section 9050‑1; 1934 (38) 1262.