

CHAPTER 59

FINANCIAL INSTITUTIONS

SENATE BILL 97-057

BY SENATOR Reeves;
also REPRESENTATIVE Taylor.

AN ACT

CONCERNING THE AUTHORITY OF SAVINGS AND LOAN ASSOCIATIONS TO USE AN IRREVOCABLE AND UNCONDITIONAL STANDBY LETTER OF CREDIT ISSUED BY A FEDERAL HOME LOAN BANK AS ELIGIBLE COLLATERAL TO SECURE PUBLIC DEPOSITS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 11-47-103 (5), Colorado Revised Statutes, 1987 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

11-47-103. Definitions. As used in this article, unless the context otherwise requires:

(5) "Eligible collateral" means:

(h) IRREVOCABLE AND UNCONDITIONAL STANDBY LETTERS OF CREDIT ISSUED BY A FEDERAL HOME LOAN BANK IF:

(I) THE LETTER OF CREDIT IS IN THE STANDARD FORMAT APPROVED BY THE COLORADO DIVISION OF FINANCIAL SERVICES;

(II) THE COLORADO DIVISION OF FINANCIAL SERVICES IS DESIGNATED AS THE BENEFICIARY OF THE LETTER OF CREDIT; AND

(III) SECURITIES ISSUED BY THE FEDERAL HOME LOAN BANK REMAIN TRIPLE A-RATED BY ONE OR MORE NATIONALLY RECOGNIZED ORGANIZATIONS WHICH REGULARLY RATE SUCH OBLIGATIONS.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 28, 1997