



## ADMINISTRATIVE RULES OF MONTANA



### 2.59.2057 OTHER APPROVED INVESTMENTS

- (1) Certain other instruments which may have investment characteristics are approved for state-chartered mutual associations. They are the following:
  - (a) mutual associations may invest, on a per issuer basis, in certificates of deposit (CDs) or deposit notes from insured financial institutions up to the greater of 20% of their capital or the maximum amount of federal deposit insurance available for deposits. This limitation applies to the deposit and any accrued interest;
  - (b) mutual associations may invest up to 20% of their capital, per issuer, in commercial paper provided the commercial paper is rated A1 or P1, at the time of purchase, by a recognized national investment rating organization. Equivalent ratings from other established and generally recognized national rating organizations may be substituted;
  - (c) mutual associations may invest up to 20% of their capital, per issue, in privately issued CMOs and REMICs;
  - (d) privately issued CMOs and REMICs will not represent more than 40% of a mutual association's investment portfolio, or more than 400% of a mutual association's capital, whichever is the lesser; and
  - (e) mutual associations may invest up to 20% of their capital, per issuer, in trust preferred securities. These bonds must be investment grade, i.e., rated in one of the four highest grades by a recognized national investment rating organization. Other rating services may be used if the gradations are equivalent to those above, and the rating services are identified by the mutual association's investment policy.

**Authorizing statute(s):** 32-2-911, MCA

**Implementing statute(s):** 32-2-908, 32-2-911, MCA

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**History:** NEW, 2022 MAR p. 230, Eff. 2/12/22.