2.59.106 INVESTMENT IN CORPORATE STOCK

(1) Ownership of stock in a bank service corporation is subject to the following conditions:

(a) The department adopts the definition of bank service corporation in 12 USC 1861 (a corporation organized to perform services authorized by this Act, all of the capital stock of which is owned by one or more insured banks).

(b) Services which may be provided by a bank service corporation include, but are not limited to:

(i) electronic data processing;

(ii) accounting services;

(iii) clearinghouse functions;

(iv) investment services for the account(s) of bank(s) ;

(v) advertising and marketing services;

(vi) communications services;

(vii) audit services;

(viii) loan review and collateral inspections;

(ix) retention of bank records, including data backup retention;

(x) safekeeping services, including vault and safe deposit box facilities;

(xi) courier services.

(2) As provided by 32-1-422(3), MCA, a bank may invest in the stock of certain corporations. Investment in the stock of an approved corporation is limited to:

(a) the greater of 5% of a bank's unimpaired capital and surplus;

(b) the minimum number of shares necessary to participate in government sponsored enterprises; or

(c) the minimum dollar value of such shares necessary for the bank to participate in the services or programs. This limitation is exclusive of all accrued or declared stock dividends generated by such corporate stock.

(3) In addition to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation, the department has determined

that it is in the public interest for banks to be able to invest in the following corporations, subject to the restrictions listed above:

(a) federal home loan banks.

Authorizing statute(s): 32-1-218, 32-1-422, MCA

Implementing statute(s): 32-1-422, MCA

History: NEW, 1993 MAR p. 2776, Eff. 11/25/93; TRANS, from Commerce, 2001 MAR p. 1178; AMD, 2025 MAR, Notice No. 2025-900, Eff. 9/13/25.