



ADMINISTRATIVE RULES OF MONTANA



2.59.2054 STATE, COUNTY, AND MUNICIPAL ISSUES

- (1) Mutual associations may invest, without dollar limitation, in the general obligation of any state which is part of the United States of America.
 - (a) The obligations must be fully guaranteed as to the repayment of principal and interest. Evidence of a full guarantee includes, but is not limited to, the pledge of the full faith and credit of the state responsible for repayment of the general obligation.
- (2) Mutual associations may invest, without dollar limitation, in the general obligations of any Montana political subdivision.
 - (a) The obligations must be issued pursuant to the Constitution or statutes of the state of Montana or the charter or ordinances of the respective county or city within the state of Montana.
 - (b) The obligations must be fully guaranteed as to the repayment of principal and interest. Evidence of a full guarantee includes, but is not limited to, the pledge of the full faith and credit of the Montana political subdivision responsible for repayment of the general obligation.
 - (c) The issuing body must not have been in default with respect to the payment of principal or interest on any of its obligations within five years preceding the date of the investment.
- (3) Mutual associations may invest up to 40% of their capital, per issuer, in the general obligations of any out-of-state political subdivision.
 - (a) The obligations must be fully guaranteed as to the repayment of principal and interest. Evidence of a full guarantee includes, but is not limited to, the pledge of the full faith and credit of the out-of-state political subdivision responsible for repayment of the general obligation.
 - (b) The default requirements of (2)(c) must be met, and the obligations must have been 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.
 - (c) Mutual associations that have branches in other states, as that term is defined in ARM 2.59.2026, may also invest without limitation in general obligations of the political subdivisions of the states in which the offices are located.
- (4) Mutual associations may invest, without limitation, in revenue bonds issued by the state of Montana or its political subdivisions.

- (a) Mutual associations that have branches in other states may also invest without limitation in revenue bonds issued by those states or their political subdivisions.
- (5) Mutual associations may invest up to 40% of their capital per issuer, in revenue bonds issued by any other state or its political subdivisions whereby the obligations are payable from pledged fee or tax revenue from designated sources.
 - (a) The default requirements of (2)(c) must be met, and the obligations must have been 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.
- (6) Mutual associations may invest up to 20% of their capital per issuer, in industrial development revenue obligations issued by a political subdivision of the state of Montana, when repayment is dependent upon a nongovernmental obligor and when such issues are in general accord with the commercial lending policy of the bank.

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

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

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