

TITLE 68
TRUSTS AND FIDUCIARIES

CHAPTER 4
LEGAL INVESTMENTS

68-401. MORTGAGE LOANS INSURABLE BY FEDERAL HOUSING ADMINISTRATOR -- AUTHORITY TO MAKE. The following persons, corporations, institutions and officers are hereby authorized to make such loans, secured by real property or leasehold as the federal housing administrator insures or makes a commitment to insure, and may obtain such insurance, to-wit: banks, trust companies, insurance companies, loan and building corporations, building and loan associations, savings and loan associations, and other savings and/or investment institutions, guardians, executors, administrators, trustees and other fiduciaries, and all other persons, associations and corporations subject to the laws of this state and qualified and licensed to make such loans.

[48-401, added 1935, ch. 3, sec. 1, p. 14; am. 1935, ch. 127, sec. 1, p. 299; am. 1937, ch. 26, sec. 1, p. 36.]

68-402. SECURITIES OF FEDERAL HOUSING ADMINISTRATOR AND NATIONAL MORTGAGE ASSOCIATIONS LEGAL INVESTMENTS. It shall be lawful for banks, trust companies, insurance companies, loan and building corporations, building and loan associations, savings and loan associations, and other savings and/or investment institutions, guardians, executors, administrators, trustees and other fiduciaries, and all other persons, associations and corporations subject to the laws of this state, qualified thereto, to invest their funds and the moneys in their custody or possession eligible for investment in notes or bonds secured by mortgage or deed of trust insured or debentures issued, by the federal housing administrator, and in securities and stocks of national mortgage associations.

[68-402, added 1935, ch. 3, sec. 2, p. 14; am. 1935, ch. 127, sec. 2, p. 299; am. 1937, ch. 26, sec. 2, p. 36; am. 1957, ch. 108, sec. 1, p. 186.]

68-403. OTHER LAWS DECLARED INAPPLICABLE. No law of this state, requiring securities upon which loans or investments may be made or prescribing the nature, amount or form of such security, or 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 the authority granted in this act.

[68-403, added 1935, ch. 3, sec. 3, p. 14; reen. 1935, ch. 127, sec. 3, p. 299.]

68-404. FEDERAL HOME LOAN BANK SECURITIES MADE LEGAL INVESTMENTS. Executors, administrators, guardians, trustees and other fiduciaries of every kind and nature, land and building corporations, building and loan associations, savings and loan associations and other savings or investment institutions, trust companies, banks and insurance companies, incorporated under the laws of this state, are authorized, in addition to investments now authorized by laws of this state, to invest in bonds and other obligations of, or guaranteed as to interest and principal by, the United

States, either directly or through securities of or other interests in any unincorporated investment company or investment trust registered under the federal investment company act of 1940, as from time to time amended, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States government and its agencies and instrumentalities, the payment of which is fully guaranteed as to principal and interest by the United States government, and to repurchase agreements fully collateralized by any such obligations, provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; bonds or debentures issued by any federal home loan bank in accordance with the provisions of the Federal Home Loan Bank Act, and amendments thereto; consolidated federal home loan bank bonds or debentures issued by the federal home loan bank board in accordance with the provisions of the Federal Home Loan Bank Act, and amendments thereto; bonds or debentures issued by the Federal Savings and Loan Insurance Corporation in accordance with the provisions of title IV of the National Housing Act, and amendments thereto; shares or accounts of land and building corporations, savings and loan associations, building and loan associations, and other savings or investment institutions, incorporated under the laws of this state, which have been insured by the Federal Savings and Loan Insurance Corporation; and shares or accounts of federal savings and loan associations incorporated under the provisions of Home Owners' Loan Act of 1933, and amendments thereto, doing business in this state, which have been insured by the Federal Savings and Loan Insurance Corporation.

[68-404, added 1937, ch. 62, sec. 1, p. 83; am. 1992, ch. 239, sec. 1, p. 711.]

68-404A. BANKS AND TRUST COMPANIES -- INVESTMENT IN MUTUAL FUNDS. (1) In addition to other investments authorized by law for the investment of funds held by a fiduciary, or by the instrument governing the fiduciary relationship, and notwithstanding any other provision of law, a bank or trust company acting as a fiduciary, agent or otherwise may, in the exercise of its investment discretion or at the direction of another person authorized to direct the investment of funds held by the bank or trust company as a fiduciary, invest and reinvest in the securities of an open-end or closed-end management investment company or investment trust registered under the federal investment company act of 1940.

(2) The fact that the bank or trust company or an affiliate of the bank or trust company provides services to the investment company or investment trust as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise and is receiving reasonable remuneration for those services, shall not preclude such bank or trust company from investing or reinvesting in the securities of such investment company or investment trust.

[68-404A, added 1992, ch. 54, sec. 1, p. 160.]

68-405. HOUSING BONDS LEGAL INVESTMENTS. Notwithstanding any restrictions on investments contained in any laws of this state all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all

executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or other obligations issued by a housing authority pursuant to the Housing Authorities Law of this state, or issued by any public housing authority or agency in the United States, when such bonds or other obligations are secured by a pledge of annual contributions to be paid by the United States government or any agency thereof; it being the purpose of this act to authorize any private persons or corporations to use any funds owned or controlled by them, including (but not limited to) sinking, insurance, investment and trust funds, and funds held on deposit, for the purchase of any such bonds or other obligations; provided, however, that nothing contained in this act shall be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in selecting securities.

[68-405, added 1939, ch. 232, sec. 1, p. 528.]

68-406. LIFE, ENDOWMENT AND ANNUITY CONTRACTS -- INVESTMENT OF FUNDS. All guardians, trustees and other fiduciaries may legally invest any funds administered by them in any life, endowment or annuity contracts issued by any legal reserve life insurance company authorized to do business in the state of Idaho, it being the purpose of this act to authorize any private person, bank, trust company or other institution acting as guardian, trustee or fiduciary to invest funds coming into their possession or under their control as such guardian, trustee or fiduciary in any life, endowment, or annuity contracts issued by any legal reserve insurance company authorized to do business in the state of Idaho, when, in their opinion, it will be for the best interests of their wards or trust estate, provided, however, that whenever an order of the probate court or other court has been heretofore required by law for the investment of any funds being administered by such guardian, trustee or other fiduciary, then such order shall be required in cases of investment of funds under this act.

[68-406, added 1947, ch. 206, sec. 1, p. 482.]

68-407. PUBLIC AND TRUST FUNDS -- INVESTMENT IN PORT DISTRICT OBLIGATIONS. Notwithstanding the provisions of the Public Depository Law, or of any other statute of the state of Idaho to the contrary, it shall be lawful for the state of Idaho and any of its departments, institutions and agencies, municipalities, districts and political subdivisions, and for any political or public corporation of the state, and for any insurance company, savings and loan association, and for any bank, trust company or other financial institution operating under the laws of the state of Idaho, and for any executor, administrator, guardian or conservator, trustee or other fiduciary, to invest its funds or the moneys in its custody or possession eligible for investment, in any revenue bonds or warrants or general obligation bonds or general obligation refunding bonds issued by any port district of the state of Idaho.

[68-407, added I.C., sec. 68-407, as added by S.L. 1967, ch. 325, sec. 1, p. 954.]