

## LEGISLATIVE BILL 237

Approved by the Governor May 26, 1987

Introduced by Schmit, 23; Moore, 24

AN ACT relating to banks and banking; to amend section 8-148, Revised Statutes Supplement, 1986, as amended by section 2, Legislative Bill 453, Ninetieth Legislature, First Session, 1987; to provide for the purchase of shares of investment companies by banks as prescribed; to provide for rules and regulations; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 8-148, Revised Statutes Supplement, 1986, as amended by section 2, Legislative Bill 453, Ninetieth Legislature, First Session, 1987, be amended to read as follows:

8-148. (1) Except as provided in subsection (2) or (3) of this section, ~~no~~ a bank shall ~~not~~ make any loan or discount on the security of the shares of its own capital stock, ~~nor~~ be the purchaser or holder of any such shares, ~~nor~~ or purchase any securities convertible into stock, or, except as provided in section 8-149, the shares of any corporation, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith. Such stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale, ~~or~~ in default thereof, a receiver may be appointed to close up the business of the bank, except that such stock, if shares of another bank or a bank holding company, shall be so sold or disposed of as the Director of Banking and Finance shall require. In no case shall the amount of stock so held at any one time exceed ten per cent of the paid-up capital of such bank.

(2) Any bank may subscribe to, invest, purchase, and own shares of investment companies registered under the Investment Company Act of 1940 when the investment companies' assets consist of and are limited to obligations that are eligible for investment by the bank. The department may adopt and promulgate rules and regulations governing the amounts, terms, and conditions of such subscriptions, investments, purchases, and ownership.

(3) Any bank may subscribe to, invest, purchase, and own Student Loan Marketing Association stock, Government National Mortgage Association stock, or Federal National Mortgage Association stock. Such bank shall not obligate more than five per cent of its capital surplus, undivided profits, and unencumbered reserves for such stock.

Sec. 2. That original section 8-148, Revised Statutes Supplement, 1986, as amended by section 2, Legislative Bill 453, Ninetieth Legislature, First Session, 1987, is repealed.