



State of Iowa
Treasurer's Office

Capitol Building
1007 E Grand Avenue
Des Moines, IA 50319

Eligible Collateral Per Iowa Code Chapter 12C.22(6)

The collateral used to secure public deposits shall be in one or more of the following forms acceptable to the Treasurer of State:

- a. Investment securities and shares in which a bank is permitted to invest under section 524.901, subsections 1, 2, and 3.
- b. Investment securities, as defined in section 524.901, subsection 1, paragraph "a", representing general obligations of a state or a political subdivision of a state that is geographically contiguous with the state, provided that such investment securities are rated within the four highest grades according to a reputable rating service or represent unrated issues of equivalent value.
- c. Investment securities, as defined in section 524.901, subsection 1, paragraph "a", representing general obligations of a state or a political subdivision of a state that is not contiguous with the state, provided that such investment securities are rated within the two highest grades according to a reputable rating service.
- d. Nontransferable letters of credit upon which the payment of principal and interest is fully secured or guaranteed by the United States of America or an agency or instrumentality, including government-sponsored enterprises of the United States of America.
- e. Private insurance policies or bonds written by companies approved by the superintendent
- f. Certificates of deposit issued by a federal deposit insurance corporation insured bank, the payment of which is fully insured by the federal deposit insurance corporation both as to principal and accrued interest, and that have been assigned a committee on uniform security identification procedures number and deposited for the account of the public funds depository bank at the depository trust company.

IOWA CODE CHAPTER 524.901

1. For purposes of this section, unless the context otherwise requires:
 - a. "Investment securities" means marketable obligations in the form of bonds, notes, or debentures which have been publicly offered, are of sound value, or are secured so as to be readily marketable at a fair value, and are within the four highest grades according to a reputable rating service or represent unrated issues of equivalent value.
"Investment securities" does not include investments which are predominately speculative in nature.
 - b. "Shares" means proprietary units of ownership of a corporation.

2. A state bank shall not invest for its own account more than fifteen percent of its aggregate capital in investment securities of any one obligor. Any premium paid by a state bank for any investment securities shall not be included in determining the amount that may be invested under this subsection.
3. Subject only to the exercise of prudent banking judgment, a state bank may invest for its own account without regard to the limitation provided in subsection 2 in any of the following:
 - a. Investment securities of the United States of which the payment of principal and interest is fully and unconditionally guaranteed by the United States.
 - b. Investment securities issued, insured, or guaranteed by a department or an agency of the United States government, provided that the securities, insurance, or guarantee commits the full faith and credit of the United States for the repayment of the securities.
 - c. Investment securities of the federal national mortgage association or the association's successor.
 - d. Investment securities of the federal home loan mortgage corporation or the corporation's successor.
 - e. Investment securities of the student loan marketing association or the association's successor.
 - f. Investment securities of a federal home loan bank.
 - g. Investment securities of a farm credit bank.
 - h. Investment securities representing general obligations of the State of Iowa or of political subdivisions of the State.
4. A state bank may invest without limit in the shares or units of investment companies or investment trusts registered under the federal Investment Company Act of 1940, 15 U.S.C. (80a), the portfolio of which is limited to United States investment securities described in subsection 3 or repurchase agreements fully collateralized by United States investment securities described in subsection 3, if delivery of the collateral is taken either directly or through an authorized custodian and the dollar-weighted average maturity of the portfolio is not more than five years. All other investments by a state bank in the shares or units of investment companies or investment trusts registered under the federal Investment Company Act of 1940, 15 U.S.C. (80a), whose portfolios exclusively contain investment securities permissible pursuant to subsections 2 and 3, shall not exceed fifteen percent of the state bank's aggregate capital.