

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 6542. Investments.

(a) In addition to other investments expressly authorized by this division, a retail bank may purchase (or discount):

(1) Obligations which satisfy the requirements of this division for loans and are acquired in full.

(2) Obligations of the United States, or states of the United States.

(3) Obligations of the International Bank for Reconstruction and Redevelopment.

(4) Obligations of a subdivision or instrumentality of a state or territory of the United States, an authority organized under state or territorial law, an interstate compact or by substantially identical legislation adopted by two or more states.

(5) Obligations of a corporation chartered by the Commonwealth, United States or a state or territory thereof.

(6) Obligations of a corporation chartered by the Marshall Islands, Federated States of Micronesia, or Palau; provided, the director finds that obligations of Commonwealth corporations are accorded similar borrowing rights.

(b) A retail bank may invest an amount not exceeding 10 percent of its capital in the stock of a corporation exclusively engaged in a trust brokerage and insurance company business and maintaining its offices on the premises used by the bank or another bank also owning part of its capital stock, and an amount not exceeding 33 and one-third percent of its capital in the stock and obligations of a corporation owning the premises occupied by the bank for the transaction of its business.

(c) A bank may purchase or sell without recourse any security upon the order of a customer and for his account.

(d) A bank or trust company may purchase and sell participation in:

(1) One or more evidences of indebtedness and agreements for the payment of money; and

(2) Pools of evidence of indebtedness and agreements for the payment of money subject to regulations by the director.

(e) A bank, subject to regulation as provided by the director, may acquire and lease personal property pursuant to a binding arrangement for the leasing of such property to a customer upon terms requiring payment to the bank, during the minimum period of the lease, or rental which in the aggregate will exceed the total expenditures by the bank for or in connection with the ownership, acquisition, maintenance and protection of the property.

(f) Obligations of the Commonwealth government or its instrumentalities.

Source: PL 3-104, § 641.

Commission Comment: With respect to the references to the “director” of the Department of Commerce and Labor, see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names

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and official titles, and effecting other changes, set forth in the Commission
comment to 1 CMC § 2001.