Hon. Ross H. Wallace, Director,
Department of Financial Institutions,
State House,
Indianapolis, Indiana.

Dear Mr. Wallace:

I have before me your letter in which you request an official opinion as to whether a domestic building and loan association is authorized to invest its excess funds in special assessment levee bonds whose eventual retirement depends on the special assessment against the real estate and are not obligations of any county, township, city, town or other political subdivisions of the State. The applicable section of the statute is Section 18-2124 of the June, 1942, Cumulative Pocket Supplement of Burns' Indiana Statutes Annotated (1933), which provides as follows:

"If at any time any association has funds in excess of the amounts required for loans to its members and the payments of matured shares, and the withdrawal demands of its shareholders, the association may invest such excess funds as follows:

"(a) In bonds, notes, certificates and other valid obligations of the United States or of the state of Indiana, or any county, township, city, town or other political subdivision of the state, issued pursuant to authority of law.

"(b) In bonds, notes, debentures or other securities or obligations issued by any federal home loan bank of the United States, or by the Home Owners' Loan Corporation, interest-bearing obligations of the Federal Savings and Loan Insurance Corporation issued pursuant to Title IV of the National Housing Act as amended, or in securities or obligations issued by any other federal agency and fully guaranteed by the United States."
“(c) In bonds, notes, certificates or other valid obligations of any state or territory of the United States which for five (5) years prior to the date of such investment has promptly paid the principal and interest on its bond and other legal obligations in lawful money of the United States.”

Burns' Indiana Statutes Annotated (1933), June, 1942, Cumulative Pocket Supplement, Section 18-2124.

A careful reading of the above quoted section makes it very clear that such bonds do not fall within the descriptions as set forth in the above section, and they, therefore, could not be eligible for investment of such excess funds by a domestic building and loan association.

STATE BOARD FOR DEPOSITORS: Funds bequeathed to civil municipal corporations with the restriction that only income can be used—whether same should be deposited as public funds under Chapter 3 of the Acts of 1937.

October 20, 1942.

Mr. Ross Teckemeyer, Secretary,
State Board for Depositories,
238 State House,
Indianapolis, Indiana.

Dear Mr. Teckemeyer:

I have before me your letter requesting an official opinion in answer to the following questions:

"1. Do funds bequeathed to a civil corporation, where only the income can be used, become public funds under the terms of Chapter 3, Acts of 1937, an act concerning public funds?

"2. Can a board or commission hold such funds in its own name or should the funds be deposited in the name of the proper treasurer of the municipality?"