TEACHERS' RETIREMENT FUND BOARD: Whether the fund may be invested in Federal Home Loan Bank Bonds.

September 18, 1933.

Hon. Robert B. Hougham,
Executive Secretary,
Teachers' Retirement Fund Board,
Indianapolis, Indiana.

Dear Sir:

I have before me your letter in which you inquire whether bonds issued by Federal Home Loan Banks, organized pursuant to the act of Congress of July 22, 1932, authorizing the organization of Federal Home Loan Banks—whether such bonds are legal investments for the funds of the Indiana state teachers' retirement fund board.

Section 6938 of Burns Annotated Indiana Statutes of 1926 provides that:

"The board of trustees of the Indiana state teachers' retirement fund shall determine what part of said fund may be safely invested and how much shall be retained for the immediate needs, demands and exigencies of said fund. Such investments shall be made in interestbearing securities of the United States; or of any state or territorial possession of the United States; or in any security lawfully issued by any state or county, township or other municipal corporation within the United States of America."

The question submitted requires the determination as to whether Federal Home Loan Bank Bonds are included in any of the foregoing classes which, for all practical purposes, may be said to be limited to the question as to whether such bonds are "securities of the United States." Section 1435 of Title 12, U. S. C. A., specifically provides that:

"All obligations of Federal Home Loan Banks shall plainly state that such obligations are not obligations of the United States and are not guaranteed by the United States."

In my opinion, such bonds are not among the authorized investments of the teachers' retirement fund board.