

**2675.2050 PURCHASE OF NONELIGIBLE SECURITIES PROHIBITED;
DISPOSITION; EXCEPTIONS.**

The purchase of securities other than eligible securities as defined in part 2675.1110 is prohibited. Any such purchase will be considered a violation of this part and the commissioner will require that any noneligible security so purchased be disposed of within a reasonable length of time. No bank shall be permitted to purchase securities of business or municipal corporations that shall have undergone debt readjustment until 12 months shall have elapsed since the effective date of the readjustment. Such securities, if purchased, must also be disposed of. However, the purchase of railroad equipment trust obligations which are not in default either as to principal or interest, or both, and which are considered to be of eligible quality shall not be prohibited.

Statutory Authority: *MS s 46.01*

History: *9 SR 1689*

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