

**2675.3100 LIQUIDITY.**

Subpart 1. **Ratio.** An association shall maintain a liquidity ratio based upon its cash and obligations of the United States or this state, or in obligations of political subdivisions of this state, in an amount equal to a percentage from four percent up to eight percent of its outstanding withdrawable shares as the commissioner of commerce may determine at least semiannually. Each state chartered association shall be notified, by first class mail, of the liquidity ratio required for each semiannual period within 15 working days of the end of the preceding period. Semiannual periods shall end on June 30 and December 31 of each year. Such association shall also be notified immediately, by first class mail, of a change in the required liquidity ratio established at any time other than the end of a semiannual period.

Subp. 2. **Definitions.** Definitions:

A. The term "cash" means cash on hand and cash invested in or on deposit in banks, including the Federal Home Loan Bank, and in other savings associations, which is not pledged as security for indebtedness.

B. The term "obligations of the United States or this state" means all unpledged evidences of indebtedness assumed by the United States or the state of Minnesota or any of its political subdivisions and all unpledged evidences of indebtedness assumed by any agency or instrumentality of the United States or of the state of Minnesota or any of its political subdivisions, which are by statute fully guaranteed as to principal and interest.

**Statutory Authority:** *MS s 51A.42*

**History:** *L 1983 c 289 s 114 subd 1; L 1984 c 655 art 1 s 92; L 1995 c 202 art 1 s 25*

**Published Electronically:** *September 14, 2007*