

2675.3180 INVESTMENT RECORDS.

Subpart 1. **Requirements.** During the period in which investments are carried on an association's books, it shall be required that:

A. original invoices of bond purchases and sales be retained as a part of the records of an association;

B. a record be maintained of all securities bought and sold, showing date of purchase or sale, interest rate, maturity, par value, description, from whom purchased, to whom sold, selling price, and where deposited for safekeeping;

C. any investment, other than U.S. governments direct and/or guaranteed, shall be supported by full credit information at the time of purchase (dealer's circular or prospectus).

Subp. 2. **Purchase exceeding par.** Purchase of a security at a price exceeding par is prohibited, unless the association shall:

A. charge off the premium when the securities are placed on the books; or

B. provide for the regular amortization of the premium paid, so that the premium shall be entirely extinguished at or before the maturity of the security and the security (including premium) shall at no intervening date be carried at an amount in excess of that at which the obligor may legally redeem such security; or

C. set up a reserve account to amortize the premium, said account to be credited periodically with an amount not less than the amount required for amortization under item B; and

D. accrued interest paid on securities must be charged to interest received, and bond commissions and all costs of sales or purchases must be charged to expense.

Subp. 3. **Purchase less than par.** Upon the purchase of a security at a price less than par, the association shall place such security on its books at cost and may provide for the regular accretion of the discount, ratably over the period from purchase to maturity of the security.

Statutory Authority: *MS s 51A.42*

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