658.67 Investment powers and limitations.— A bank may invest its funds, and a trust company may invest its corporate funds, subject to the following definitions, restrictions, and limitations:

(1) INVESTMENTS NOT SUBJECT TO LIMITATION.—A bank or trust company may invest without limitation in the following:

(a) Direct obligations of the United States Government.

(b) Obligations of agencies created by act of the United States Congress and authorized thereby to issue securities or evidences of indebtedness, regardless of guarantee of repayment by the United States Government.

(c) Collateralized obligations guaranteed by agencies created by an act of the United States Congress.

(d) Public housing authority obligations.

(e) General obligations of the states of the United States and of the political subdivisions and municipalities thereof.

(f) Obligations issued by the State Board of Education under authority of the State Constitution or applicable statutes.

(g) Tax anticipation certificates or warrants of counties or municipalities having maturities not exceeding 1 year.

(h) Prerefunded municipal bonds, the principal and interest of which are secured by the principal and interest of a direct obligation of the United States Government.

(i) The sale of federal funds on a daily or term basis to a Federal Reserve Bank or Federal Home Loan Bank. However, a bank may not sell at any one time federal funds to any individual bank in an amount exceeding 100 percent of the capital accounts of the selling bank.

(j) Demand, savings, or time deposits or accounts of any insured state or federal financial institution.

(k) Bankers’ acceptances which are eligible for purchase by federal reserve banks.

(l) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations, and provided further that any such investment company or investment trust shall take delivery of such collateral either directly or through an authorized custodian.

(2) INVESTMENTS SUBJECT TO LIMITATION OF TWENTY-FIVE PERCENT OF TOTAL ASSETS.—Up to 25 percent of the total assets of the purchasing bank or trust company may be invested in the following:

(a) Any single issue of revenue bonds or certificates of the states of the United States or of the political subdivisions and municipalities thereof.

(b) Bonds or other obligations of the Inter-American Development Bank.

(c) Bonds or other obligations of the International Bank for Reconstruction and Development or the International Finance Corporation.

(3) INVESTMENTS SUBJECT TO LIMITATION OF TWENTY-FIVE PERCENT OF CAPITAL ACCOUNTS.—Up to 25 percent of the capital accounts of the purchasing bank or trust company may be invested in:

(a) Bonds or other obligations of the African Development Bank.

(b) Corporate obligations of any one corporation that is not an affiliate or subsidiary of the bank or trust company.
(4) INVESTMENTS SUBJECT TO LIMITATION OF TEN PERCENT OR LESS OF CAPITAL ACCOUNTS.—

(a) Up to 10 percent of the capital accounts of the purchasing bank or trust company may be used to invest in any single issue of industrial development bonds issued for the benefit of a specified corporation.

(b) Up to an aggregate of 10 percent of the capital accounts of the purchasing bank or trust company may be used to invest in tax lien certificates.

(c) Up to 5 percent of the capital accounts of the purchasing bank or trust company may be used to invest in or purchase bonds or other evidences of indebtedness of the State of Israel.

(d) Up to 2 percent of the capital accounts of the purchasing bank or trust company may be used to invest in the stock of a community corporation organized to promote the physical, social, or moral well-being of the members of the community where the bank or trust company is located.

(e) Up to 1 percent of the capital accounts of the purchasing bank or trust company may be used to invest in the stock of the Housing Development Corporation of Florida. The purchasing bank or trust company may thereafter deal in the securities or other evidences of debt of such corporation as provided for in chapter 420.

(f) Up to 10 percent of the capital accounts of a bank or trust company may be invested in any capital participation instrument or evidence of indebtedness issued by Enterprise Florida, Inc., pursuant to the Florida Small and Minority Business Assistance Act.

(5) INVESTMENTS IN RELATED COMPANIES.—A bank or trust company may invest in the stock of incorporated companies to the extent hereinafter defined:

(a) Stock of the Federal Reserve bank or the Federal Home Loan bank of this district may be purchased and retained as required to maintain membership in the system.

(b) Stock of the Federal National Mortgage Association may be purchased and retained as required in connection with mortgage transactions with that association.

(c) Up to 10 percent of the capital accounts of a bank may be invested in a clearing corporation as defined in s. 678.1021.

(d) Up to 10 percent of the capital accounts of a bank may be invested in the capital stock of a banker’s bank, except that in no event shall the purchase of such stock result in the acquisition of more than 5 percent of any class of voting securities of such banker’s bank.

(6) INVESTMENTS IN CORPORATIONS.—Up to an aggregate of 10 percent of the total assets of a bank may be invested in the stock, obligations, or other securities of subsidiary corporations or other corporations or entities, except as limited or prohibited by federal law, and except that during the first 3 years of existence of a bank, such investments are limited to 5 percent of the total assets. The commission by rule, or the office by order, may further limit any type of investment made pursuant to this subsection if it finds that such investment would constitute an unsafe or unsound practice.

(7) INVESTMENTS IN REAL ESTATE AND EQUIPMENT.—A bank or trust company may invest in real estate and equipment to the extent hereinafter defined:

(a)1. Up to 60 percent of the capital accounts of the bank or trust company may be invested in the direct ownership of, or in leasehold interests in, land and buildings utilized or to be utilized by the bank or trust company in the transaction of its business. This limitation applies to assets subject to a lease agreement which is required to be capitalized under criteria issued by the Financial Accounting Standards Board. In lieu of such investment in real estate, with the prior written approval of the office, up to 60 percent of the capital accounts of the bank or trust company may be invested in the stock of a corporation which owns the land and buildings within which the business of the bank or trust company is or will be transacted.

2. The real estate investment limitations provided by this subsection may not be exceeded except with the prior written approval of the office.
(b) A bank or trust company may own or lease furniture, fixtures, machinery, and equipment such as may be necessary to the transaction of its business.

(8) INVESTMENTS IN PERSONAL PROPERTY.—A bank or trust company may own or lease personal property acquired upon the specific request and for the use of a customer and may incur such additional obligations as may be incident to becoming an owner and lessor of such property. In addition, a bank or trust company may purchase leases as provided by rules of the commission.

(9) ACQUISITIONS OF PROPERTY AS SECURITY.—A bank or trust company may acquire property of any kind to secure, protect, or satisfy a loan or investment previously made in good faith, and such property shall be entered on the books of the bank or trust company and held and disposed of subject to the following conditions and limitations:

(a) The book entry shall be the lesser of the balance of the loan or investment plus acquisition costs and accrued interest or the appraisal value or market value of the property acquired which shall be determined and dated within 1 year prior to or 90 days after the date of acquisition and in compliance with s. 655.60.

(b) The bank or trust company shall have evidence of ownership of all property acquired and shall maintain subsidiary ledgers adequate to the separate recording of all income and expense attributable to its ownership of such property.

(c) Unless an extension of time is approved in writing by the office, real estate shall be sold or charged off within 5 years of the date of acquisition, and personal property shall be sold or charged off within 6 months of the date of acquisition.

(d) The bank will maintain appraisal reports required by s. 655.60.

(10) SPECIAL PROVISIONS.—

(a) The bonds or other obligations described in this section are not eligible for investment unless current as to all payments of principal and interest and otherwise supported as to investment quality and marketability by a credit rating file compiled and maintained in current status by the purchasing bank or trust company. Banks and trust companies shall establish written policies and procedures to evaluate the systemic and specific risks and benefits associated with all investments authorized in this section before making such investments and must provide for appropriate risk management and monitoring for the duration of the investment. An investment decision may not be based solely on the rating of the bond or other obligation by an investment rating service. The office may require a bank or trust company to divest itself of any investment that the office determines creates excessive risk or that has an associated risk that exceeds the ability of the bank or trust company to properly evaluate and manage.

(b) Investment securities shall be entered on the books of the bank or trust company at the fair market value on the date of acquisition. Premiums paid in excess of par value shall be amortized over the life of the security or to the first call date at its call price and thereafter to subsequent call dates at their respective call prices until maturity. Discount may be accredited over the life of the security.

(11) OTHER INVESTMENTS; SUBJECT TO APPROVAL.—A bank or trust company may make such other investments as the commission approves by rule.