

CREDIT UNIONS: Authorized to invest funds under provisions of Section 5598a, Laws of Missouri, 1939, page 217.

January 2, 1940



Mr. Russell Maloney
Commissioner of Securities
Jefferson City, Missouri

Dear Mr. Maloney:

We wish to acknowledge receipt of your letter of recent date wherein you state as follows:

"We wish to call your attention to a matter which concerns the power of credit unions in making investments in securities. Section 5082, R. S. of Missouri, 1929, paragraph 3, recites the following powers:

'It may invest, through its board of directors, in the bonds of the United States, of any state thereof or of any municipality, the bonds of which municipality are legal investments for savings banks in the State of Missouri.'

The Sixtieth General Assembly re-enacted Section 5598 as Section 5598-a, on page 271 of the Session Acts of 1939, which seems to give credit unions the right to invest in stocks, shares or accounts of Building and Loan Associations, under certain circumstances, including the proviso, that such shares must be insured by the Federal Savings and Loan Insurance Corporation.

Section 5082 does not seem to have been amended or repealed, and the question arises as to whether or not credit unions may invest in the securities described in Section 5598-a, of the 1939 Session Acts.

"We, therefore, respectfully request an opinion on this question, because of its very great importance to credit unions."

Section 5598a, Laws of Missouri, 1939, page 271, provides in part as follows:

"Stock, shares, or accounts of any association doing business in Missouri under a charter issued by the state of Missouri or another state or the United States which has a contingent or general reserve fund of at least five per cent of its total assets, as shown by its last preceding semi-annual financial statement, or the shares of which are insured by the Federal Savings and Loan Insurance Corporation, shall be legal investments for * * * * *

(2) the funds of all banks, trust companies, insurance companies, credit unions, business and manufacturing companies, loan and investment companies, mortgage loan companies, and associations or companies for benevolent or religious or scientific or fraternal-beneficial or educational purposes; and the provisions hereof are supplemental to, and amendatory of, any and all other acts regulating, relating to, and declaring what shall be, legal investments for any such funds;"

It is to be noted that the above section points out that it is supplemental to any and all acts regulating, relating to, and declaring what shall be, legal investments for any such funds.

There is a well-defined rule that the purpose of statutory construction is to determine the legislative intent. State ex rel. American Asphalt Roof Corporation v. Trimble, 45 S. W. (2d) 1103, 329 Mo. 495. In this case the intent is so clearly expressed that there is no room for construction. Cummins v. Kansas City Public Service Company, 66 S. W. (2d) 920, 334 Mo. 672.

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From the foregoing, we are therefore of the opinion that credit unions may, in addition to the investments authorized under Section 5082, R. S. Mo. 1929, also invest their funds in the supplemental manner authorized under Section 5598a, Laws of Missouri, 1939, page 271.

Respectfully submitted,

MAX WASSERMAN .
Assistant Attorney General

APPROVED:

W. J. BURKE
(Acting) Attorney General

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