219.01 Loans, advances of credit, investment in securities, insured or guaranteed by specified agencies. Credit unions, savings and loan associations, investment associations, state banks, savings banks, trust company banks, land mortgage associations, personal representatives, guardians, trustees, and other fiduciaries, except where it is contrary to the will or other instrument of trust, the state and its agencies and its municipalities, districts, and other subdivisions, and all institutions and agencies of the state, and all other persons, associations, and corporations, subject to the laws of this state, are authorized:

(1) To make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are insured by the federal housing administrator, and to obtain such insurance.

(2) To make such loans, secured by real property or leasehold, as the federal housing administrator insures or makes a commitment to insure, and to obtain such insurance.

(3) To invest their funds, and moneys in their custody or possession that are eligible for investment and which they are by law permitted or required to invest, in notes or bonds secured by mortgage or trust deed insured by the federal housing administrator, and in debentures issued by the federal housing administrator, and in securities issued by national mortgage associations.

(4) To invest their funds and moneys in their custody or possession that are eligible for investment and that they are by law permitted or required to invest, in notes, bonds or other forms of evidence of indebtedness guaranteed by the U.S. department of veterans affairs or otherwise guaranteed or secured under the servicemen’s readjustment act of 1944, P.L. 78–346, as amended.

(5) To make loans and to sell, buy, or otherwise invest in notes, bonds, or other instruments evidencing loans secured by mortgages insured, or with respect to which commitments to insure have been made under Title I of the Bankhead–Jones Farm Tenant Act (7 USC 1000 et seq.) as heretofore or hereafter amended. Restrictions of any character imposed by the laws of Wisconsin with respect to location of the real estate security shall not be applicable to loans or investments so secured by mortgages under Title I of said act.


219.02 Securities eligible for investment may be used as collateral. Wherever, by statute of this state, collateral is required as security for the deposit of public or other funds; or deposits are required to be made with any public official or department; or an investment of capital or surplus, or a reserve or other fund, is required to be maintained consisting of designated securities, notes and bonds insured and debentures issued by the federal housing administrator and obligations of national mortgage associations shall be eligible for such purposes.

219.03 Restrictions upon loans, security, interest rates, etc. not applicable. No law of this state requiring security upon which loans or investments may be made, or limiting the amount of the loan to any stated proportion of the value of the security, or prescribing the nature, amount or form of such security, or prescribing or limiting interest rates upon loans or investments, or prescribing or limiting the period for which loans or investments may be made, or prescribing or limiting periodical installment payments upon loans or securities, or prescribing or limiting the right to buy, sell, have serviced or assign such loans or investments and the security given therefor, shall be deemed to apply to loans or investments made pursuant to this chapter.

219.04 Investment in state bonds and notes and municipal obligations. (1) The following may invest any sinking fund, retirement, compensation, pension or trust funds, moneys or other funds belonging to them or within their control without limit in state bonds and notes:

1. All banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies and other persons or entities carrying on a banking business.

2. All personal representatives, guardians, trustees, and other fiduciaries.

3. The state and all public officers, municipal corporations, political subdivisions and public bodies.

(b) The provisions of par. (a) shall be cumulative to authorizations of investments contained in other statutes, but shall not apply to funds expressly limited by law to specifically enumerated investments not including evidence of indebtedness.

(2) State bonds or notes or the general obligations of municipalities as defined in s. 67.01 (5) or borrowings of the municipalities under s. 67.12 may be used as:

(a) Collateral if any statute requires collateral as security for any deposit of funds; or

(b) An investment if any statute requires investment of capital, surplus, reserve or other funds in designated securities.

History: 1979 c. 279; 1981 c. 80, 391; 1983 a. 189 s. 329 (7); 2001 a. 102.

219.05 Investment in savings and loan and other institutions. (1) The investment by any credit unions; or the investment of funds of any state sinking fund, state school fund, fire fighters’ relief and pension fund, police pension fund, or other pension fund; or the investment by any savings and loan association; or by a state or federal savings bank; or by any federal savings and loan association; or by any administrative department, board, commissioner or officer of the state, authorized by law to make investments of funds in the custody or under the control of such department, board, commission or officer; or by any guardian, trustee or other fiduciary; or by any school district, technical college district, drainage district, village, city, county or town, in savings accounts in savings and loan associations doing business in this state or in savings banks doing business in this state; or in savings accounts in any other institution within or without the state, to the extent to which such accounts now are, or may hereafter be, insured by the federal deposit insurance corporation, under acts of congress of the United States now in effect or which may hereafter be enacted is lawful.

(2) The legality of such investment shall not be impugned, whether the person, firm, or corporation or association, board, or commission, making the same be foreign or domestic; or whether
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such investment be made from capital, reserves, or surplus; or whether made in a fiduciary or other capacity.


219.06 Certain district and authority bonds as legal investments and security. (1) (a) Any of the following may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by a metropolitan sewerage district under ss. 200.21 to 200.65 or by a housing authority created by or under the housing authorities law of this state or issued by any public housing authority or agency in the United States, if the bonds or other obligations are secured by a pledge of annual contributions to be paid by the U.S. government or any agency of the U.S. government, by the city, village, town, or county in which the housing authority issuing the bonds or other obligations operates or by the district under s. 200.55 or are guaranteed by the state:

1. The state and all public officers, municipal corporations, political subdivisions, and public bodies.
2. All banks, bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, and other persons carrying on a banking business.
3. All personal representatives, guardians, trustees, and other fiduciaries.

(b) The bonds and other obligations described in par. (a) shall be authorized security for all public deposits and shall be fully negotiable in this state.

(2) The purpose of this section is to authorize any of the foregoing to use any funds owned or controlled by them, including but not limited to sinking, investment, retirement, compensation, pension and trust funds, and funds held on deposit, for the purpose of any such bonds or other obligations.

(3) It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any bonds described in sub. (1) (b) or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities. This section shall apply notwithstanding any restrictions on investments contained in other provisions of the statutes.


219.07 Redevelopment authority bonds legal investments and security. (1) (a) In this subsection “authorized investor” means:

1. All banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons carrying on a banking business.
2. All personal representatives, guardians, trustees, and other fiduciaries.
3. The state and all public officers, municipal corporations, political subdivisions, and public bodies, except those under ch. 604.

(b) Any authorized investor may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by a redevelopment authority created by s. 66.1333, or issued by any redevelopment authority or urban renewal agency in the United States, when the bonds or other obligations are secured by an agreement between the issuer and the federal government in which the issuer agrees to borrow from the federal government and the federal government agrees to lend to the issuer, prior to the maturity of the bonds or other obligations, moneys in an amount that, together with any other moneys irrevocably committed to the payment of principal and interest on such bonds or other obligations, will suffice to pay the principal of the bonds or other obligations with interest to maturity on the bonds, which moneys under the terms of the agreement are required to be used for the purpose of paying the principal of and the interest on the bonds or other obligations at their maturity.

(2) The bonds and other obligations described in sub. (1) (b) shall be authorized security for all public deposits.

(3) It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any bonds described in sub. (1) (b) or other obligations. Nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities. This section shall apply notwithstanding any restrictions on investments contained in other provisions of the statutes.


219.09 Certain district and authority bonds as legal investments and security. (1) A bank, trust company, savings bank or institution, savings and loan association, credit union or investment company or a personal representative, guardian, trustee or other fiduciary may legally invest any moneys or funds belonging to or within that person’s control in bonds issued by any of the following:

(a) A local exposition district under subch. II of ch. 229.
(b) The University of Wisconsin Hospitals and Clinics Authority.
(c) A local professional baseball park district created under subch. III of ch. 229.
(d) A local professional football stadium district created under subch. IV of ch. 229.
(f) Bonds issued by a local cultural arts district under subch. V of ch. 229.
(g) The Wisconsin Aerospace Authority.

(2) This section shall not be construed as relieving any person of any duty of exercising any required level of care in selecting securities.