

**Opinion No. 117.**

**Banks and Banking—Investments  
—National Housing Act.**

HELD: Corporations, banks and other financial institutions named, have power, under section 1, Chapter 8, Laws of 1935, to invest in bonds and notes secured by mortgage, where such bonds and notes are insured.

June 14, 1935.

Mr. Barclay Craighead  
State Director  
Federal Housing Administration  
Helena, Montana

You have submitted the question whether the provisions of Section 1,

in Chapter 8, Laws of 1935, to the effect that certain institutions therein named, to-wit: corporations, banks, trust companies, insurance companies, investment companies and other financial institutions may

"Make such loans secured by real estate as are insured, or under a commitment to insure, pursuant to Title II of the 'National Housing Act',"

is broad enough to permit such institutions to invest in one or more bonds or notes secured by mortgage so insured.

Since the security is of the same character whether the institutions in question take a note secured by mortgage, or one or more bonds or notes secured by mortgage and both are insured, I am inclined to the opinion that the question should be answered in the affirmative.