Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 9.—Investment Securities

17-9-1. Investment securities; definitions.

For the purposes of K.S.A. 1995 Supp. 9-1101(6) and this article:

(a) "investment security" means an investment made for the account of the bank which is a marketable obligation evidencing indebtedness in the form of a bond, note, or debenture, commonly known as an investment security. The term shall not include, and nothing in this article shall be construed as permitting a bank to purchase, investments which are predominantly speculative in nature or which are in default as to principal and interest; and

(b) "marketable obligation" means an investment that:

(1) may be sold with reasonable promptness at a readily determinable price which corresponds reasonably to its fair value; and

(2) is supported by adequate evidence that the obligor will be able to perform all obligations in connection with the security including the ability to meet all debt service requirements.

(Authorized by K.S.A. 9-1713; implementing K.S.A. 1995 Supp. 9-1101; effective Aug. 9, 1996.)