

BILL ANALYSIS

Senate Research Center
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H.B. 2103
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2103 amends current law relating to the consideration of a letter of credit issued by a federal home loan bank as an eligible security for collateral to secure public funds.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2257.002(4), Government Code, as follows:

(4) Provides that "eligible security" means:

- (A) a surety bond;
- (B) an investment security;
- (C) an ownership or beneficial interest in an investment security, other than an option contract to purchase or sell an investment security;
- (D) a fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a high-risk mortgage security;
- (E) a floating-rate collateralized mortgage obligation that does not constitute a high-risk mortgage security; or
- (F) a letter of credit issued by a federal home loan bank.

SECTION 2. Effective date: upon passage or September 1, 2011.