

## Article - State Finance and Procurement

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§2-603.

(a) Subject to the limitations in this section and notwithstanding any other provision of law, the Treasurer may lend to a bank or securities broker any security that is owned by the State and is in the custody of the Treasurer.

(b) (1) The Treasurer and the bank or broker to whom a loan is to be made under this section shall make a written contract that governs the loan.

(2) The contract shall set forth:

(i) the term of the loan;

(ii) the consideration for the loan;

(iii) any provisions that the Treasurer determines are needed to protect the interests of the State; and

(iv) any other conditions of the loan.

(c) Consideration for a loan under this section may not be less than the current market lending rate for the securities on loan.

(d) (1) The bank or broker to whom a loan is to be made under this section shall deposit with the Treasurer collateral with a value that equals or exceeds the value of the securities on loan.

(2) Collateral that may be used under this section shall be:

(i) money; or

(ii) a security in which the Treasurer may invest under § 6-222 or § 6-223 of this article.

(e) (1) The Treasurer may enter into a contractual agreement with a financial institution to lend, as agent, securities owned by the State and in the custody of the Treasurer.

(2) The financial institution shall provide security or indemnification acceptable to the Treasurer.

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