

Opinion No. 66-145

December 27, 1966

BY: OPINION OF BOSTON E. WITT, Attorney General George Richard Schmitt,
Assistant Attorney General

TO: Honorable Morris Stagner, District Attorney, Ninth Judicial District, County
Courthouse, Clovis, New Mexico

QUESTION

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Are Farmers Home Administration loans qualified to secure public deposits in the banks
of this State?

CONCLUSION

Yes.

OPINION

{*188} ANALYSIS

Section 11-2-18, N.M.S.A., 1953 Compilation, as amended, expressly provides for the
types of securities that may be used as a pledge for public funds which are deposited in
the banks of this State. This statute expressly includes "bonds or securities guaranteed
by the United States. . . ."

An examination of the loans in question reveals such loans to be fully insured "by the
full faith and credit of the United States of America pursuant to such statutes", (See FHA
Insurance Endorsement Form FHA 440-30). Thus, any Farmers Home Administration
loan which is fully guaranteed by the Federal Government would qualify as a proper
security for public funds which are deposited in banks of this state.