

73-512. Investments by curators. It shall be the duty of curators to invest and keep invested their pensioner's surplus money and only in the securities hereinafter indicated, and in which the curator has no interest. Such investments, except those provided in paragraph (A) hereof, shall be made only upon the prior approval of the court, after notice to the veterans' administration as provided in K.S.A. 73-523.

(A) Direct obligations of this state and of the United States government, and obligations, the interest and principal of which are both unconditionally guaranteed by the United States government; or, shares or accounts in savings and loan associations insured by the federal savings and loan insurance corporation to the extent covered by such insurance; or, certificates of deposit or savings accounts in banks insured by the federal deposit insurance corporation, to the extent covered by such insurance.

(B) The bonds of any other state, or of any county, city or town in the United States with a population as shown by next preceding federal census of not less than ten thousand (10,000) inhabitants, and which bonds were not issued in aid of railroads, and where the laws do not permit such counties, cities or towns to become indebted in excess of five percent (5%) of the assessed valuation of property for taxation therein, and where the total indebtedness of such county, city or municipality, does not exceed five percent (5%) of the assessed valuation of property for taxation at the time of such investment: *Provided always*, There has been no default for more than thirty (30) days during the preceding ten (10) years upon any of the issuing state, county, city or town.

(C) In the legally issued notes of the owner of improved unencumbered real property located in this state secured by first mortgage or deed of trust thereon: *Provided*, That the total debt secured by such encumbrances does not exceed fifty percent (50%) of the actual cash value of such real property at the time of such investment: *And provided*, That if buildings or other improvements constitute a material part of the value of such premises encumbered to secure such indebtedness they shall be kept insured against loss or damage by fire in a reasonable amount for the benefit of the owners of such notes secured by first mortgages or deeds of trust.

Before making any such investment a signed application therefor shall be procured from the borrower, which shall contain such information as may be required by the lender, and in every case shall contain a complete description of the real estate, including improvements thereon, and an affirmative statement that such proposed borrower is the owner of the entire fee-simple title to such real estate and improvements, that same are free of every encumbrance or lien of any character, or if not, a statement of any existing encumbrance or other liens thereon and specific authorization to the lender to withhold from the proposed loan the necessary sum to discharge and procure the release of any such encumbrances or other liens, and such release shall in all cases be procured and filed for record prior to or contemporaneously with the making of such loan. The proposed borrower shall also furnish with such application an abstract or certificate of title and same shall be completed to the time of closing the loan. The curator proposing to make any such loan or to purchase any notes secured by first mortgage or deed of trust shall exhibit to the court with his application for approval thereof the opinion of a qualified attorney-at-law satisfactory to the court, which opinion shall show that such attorney has examined said title or certificate of title and the papers evidencing the proposed debt and encumbrance to secure same, and based thereon it is the opinion of such attorney that the proposed borrower has good title to the property to be encumbered and that such proposed encumbrance will constitute a valid first lien thereon. In addition thereto the curator shall file with the court satisfactory written evidence that the reasonable cash value of the property to be encumbered is in accordance with the requirements of this paragraph.

If the curator purchases previously issued notes secured by first mortgage or deed of trust, the attorney's examination and opinion shall also disclose whether the proposed transferor has and will pass to the curator good title thereto together with the liens securing same as hereinbefore provided. In such case the curator shall file with the court satisfactory written evidence of value of the encumbered property as is hereinabove required, as of the time of acquiring such notes.

History: L. 1929, ch. 250, § 12; L. 1939, ch. 283, § 2; L. 1951, ch. 432, § 1; L. 1957, ch. 422, § 1; L. 1965, ch. 433, § 12; L. 1967, ch. 411, § 12; July 1.