

286.3-240 Real estate mortgage investment fund -- Participation certificates.

- (1) A trust company or bank empowered to act as a fiduciary under the laws of this state, and subject to examination by either state or federal banking authorities, may:
 - (a) Set apart, in a separate real estate mortgage investment fund, real estate mortgages, which conform to the Kentucky requirements as to trust investments;
 - (b) Issue against such investment fund participation certificates covering fractional interests therein; and
 - (c) Invest trust funds in its hands for investment in such participation certificates.
- (2) Such trust company or bank shall at all times maintain definite records, fully and accurately setting forth all mortgages held in such investment fund, including all cash collections and any real estate acquired in foreclosure; and all participation certificates issued against the investment fund. Participation certificates shall not be issued in the aggregate so as to exceed the aggregate principal amount of the investment fund.
- (3) The participation certificates shall be substantially in the following form:

(Insert place and date)

The undersigned hereby certifies: That (insert description of trust estate or name of beneficial owner) is the owner of an interest in a real estate mortgage investment fund, which fund is shown on the records and accounts of the undersigned, and which interest is equivalent to the fraction which would result from using (insert amount) dollars (\$.....) as the numerator and the aggregate principal amount of the investment fund as the denominator.

This certificate is issued in accordance with and subject to the terms and conditions of KRS 286.3-240 to 286.3-270.

(Signature of trust company or bank)

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4706.

Formerly codified as KRS 287.240.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.