

**SUMMARY OF STATUTORY INVESTMENT AUTHORITY
REQUIRING ANNUAL APPROVAL
AND
PROPOSED USE OF ADDITIONAL INVESTMENT AUTHORITY UNDER STATUTE**

Investment Instrument	Statutory Investment Authority		OBF Guidelines and Practice and Proposed Use
	General Authority under Minn. Stat. Chap. 118A	Additional Authority under Minn. Stat. 118A.07	
Repurchase agreements (RPs)	Permitted.	Permitted. Statute authorizes the acceptance of collateral in an RP in the form of “high risk” mortgage-backed securities as defined by regulatory tests. Collateral in these transactions must be provided at 101% or higher.	Staff does not utilize this additional investment authority for RPs. It accepts whole pool agency mortgage-backed securities as collateral for RPs at 102% but not “high risk” ones referenced in statute, (also known as collateralized mortgage obligations.)
Reverse repurchase agreements (RRPs)	Permitted for periods of 90 days or less and only to meet short-term cash flow needs.	Permitted with no term limit. RRP’s are used to meet cash flow needs, and to generate cash for investments, provided that total operating portfolio shall not exceed 130% of the average daily investable assets of the prior year, excluding investments with maturities of 1 year or less.	Staff could utilize this additional investment authority for RRP’s, limiting the total operating portfolio (excluding those with maturities of 1 year or less) to only 120% of the average daily investable assets of the prior year.
Options contracts	Not permitted.	Permitted on securities owned by the county.	Staff does not intend to use options contracts.
Futures contracts	Not permitted.	Permitted.	Staff does not intend use futures contracts.