

# SESSION 3

## California Government Code and Legal Investments



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Alameda County*

# What we will cover:

## Permissible Investments:

- Applicable Statutes
- Legal limitations

## Practical Application:

- Discuss the purposes, risks and benefits of different investments in a portfolio
- Available public investment resources

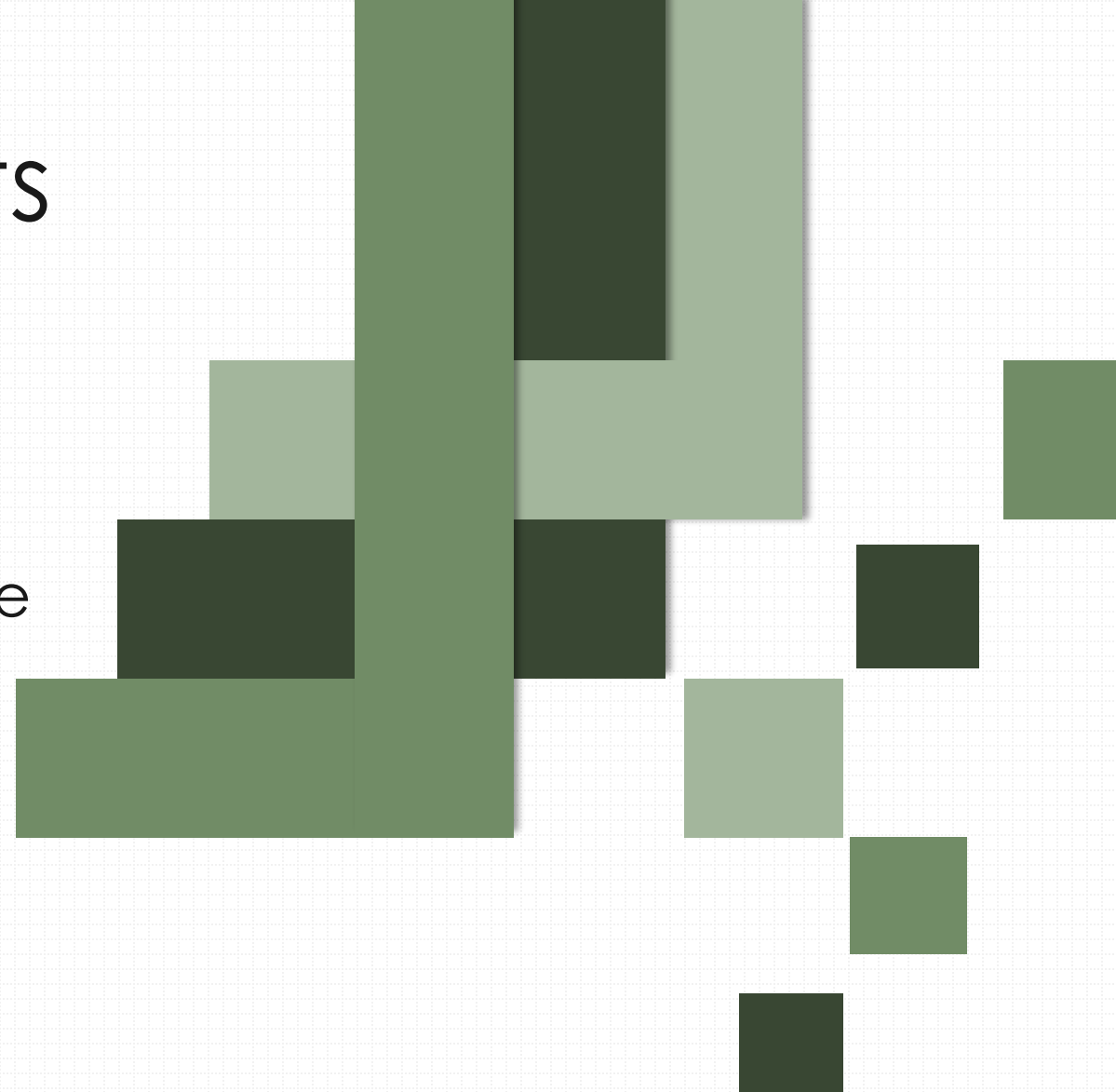
## Current public investment environment:

- How did we get here?
- Legislative efforts

# Permissible Investments

California Government Code prescribes the types of investments and practices permitted after considering preserving principal and maintaining liquidity before seeking yield.

These statutes are intended to promote the use of reliable, diverse, and safe investment instruments for a prudently managed portfolio.



# Permissible Investments: Local Agencies

GOVERNMENT CODE SECTION  
16429.1-16429.4

Local Agency Investment Fund (LAIF) available to all local agencies

GOVERNMENT CODE SECTION  
53600-53610

Applies to all local agencies that do not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body

GOVERNMENT CODE SECTION  
53630-53686

Applies to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies

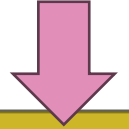
# Permissible Investments

## Applicable Government Code Sections:

- 16429.1 (LAIF)
- 53601 (Local Agencies – non pool)
- 53635 (Counties – pooled funds)
- 53651 (securities for deposits)

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2024)<sup>a</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>b</sup>

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.



INVESTMENT TYPE	MAXIMUM MATURITY <sup>c</sup>	MAXIMUM SPECIFIED % OF PORTFOLIO <sup>d</sup>	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations—CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% <sup>e</sup>	None	53601(g)
Commercial Paper—Non-Pooled Funds <sup>f</sup> (under \$100,000,000 of investments)	270 days or less	25% of the agency's money <sup>g</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds <sup>i</sup> (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money <sup>g</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>	53601(h)(2)(c)
Commercial Paper—Pooled Funds <sup>j</sup>	270 days or less	40% of the agency's money <sup>g</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>k</sup>	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% <sup>l</sup>	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% <sup>l</sup>	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>m</sup>	20% of the base value of the portfolio	None <sup>n</sup>	53601(j)
Medium-Term Notes <sup>o</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20% <sup>p</sup>	Multiple <sup>q, r</sup>	53601(l) and 53601.6(b)
Collateralized Bank Deposits <sup>s</sup>	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities <sup>t</sup>	5 years or less <sup>t</sup>	20%	"AA" rating category or its equivalent or better <sup>t</sup>	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple <sup>u</sup>	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund <sup>v</sup>	N/A	None	None	16340
Supranational Obligations <sup>w</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

# Permissible Investments: Cross References

## GOVERNMENT CODE SECTION 53601

This Section applies to local agencies that do not pool money with other local agencies other than local agencies that have the same governing body. However, refers to Section 53635 for local agencies that pool money in deposits or investment with other local agencies that have separate governing bodies.

## GOVERNMENT CODE SECTION 53635.2

This section applies to the safekeeping of all money belonging to, or in the custody of, a local agency, those funds shall be deposited for safekeeping in state or national banks, public banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this state selected by the treasurer or may be invested in the investments set forth in Section 53601.

## GOVERNMENT CODE SECTION 53684 (a)

This Section for counties, a city and a county, or other local agency that pools funds, directs investment of excess funds which are not required for immediate use and are deposited with the County, pursuant to Section 53601 or 53635, or Section 20822 of the Revenue and Taxation Code.


# Permissible Investments: Legal Limitations

## MATURITY

- Most investments limited to a maximum maturity of five years.
- A few investments have shorter maximum maturities.
- The term or remaining maturity is measured from the settlement date to final maturity.

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2024)<sup>a</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>b</sup>

See "Table of Notes for Figure 1" on the next page for details related to this figure.



INVESTMENT TYPE	MAXIMUM MATURITY <sup>c</sup>	MAXIMUM SPECIFIED % OF PORTFOLIO <sup>d</sup>	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53801(a)
U.S. Treasury Obligations	5 years	None	None	53801(b)
State Obligations—CA And Others	5 years	None	None	53801(c) 53801(d)
CA Local Agency Obligations	5 years	None	None	53801(e)
U.S. Agency Obligations	5 years	None	None	53801(f)
Bankers' Acceptances	180 days	40% <sup>e</sup>	None	53801(g)
Commercial Paper—Non-Pooled Funds <sup>f</sup> (under \$100,000,000 of investments)	270 days or less	25% of the agency's money <sup>g</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>	53801(h)(2)(c)
Commercial Paper—Non-Pooled Funds <sup>i</sup> (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money <sup>g</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>	53801(h)(2)(c)
Commercial Paper—Pooled Funds <sup>j</sup>	270 days or less	40% of the agency's money <sup>g</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>	53835(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>k</sup>	None	53801(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53830 et seq.
Placement Service Deposits	5 years	50% <sup>l</sup>	None	53801.8 and 53835.8
Placement Service Certificates of Deposit	5 years	50% <sup>l</sup>	None	53801.8 and 53835.8
Repurchase Agreements	1 year	None	None	53801(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>m</sup>	20% of the base value of the portfolio	None <sup>n</sup>	53801(j)
Medium-Term Notes <sup>o</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53801(k)
Mutual Funds And Money Market Mutual Funds	N/A	20% <sup>p</sup>	Multiple <sup>q, r</sup>	53801(l) and 53801.6(b)
Collateralized Bank Deposits <sup>s</sup>	5 years	None	None	53830 et seq. and 53801(n)
Mortgage Pass-Through and Asset-Backed Securities <sup>t</sup>	5 years or less <sup>t</sup>	20%	"AA" rating category or its equivalent or better <sup>t</sup>	53801(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple <sup>u</sup>	53801(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund <sup>v</sup>	N/A	None	None	16340
Supranational Obligations <sup>w</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53801(q)
Public Bank Obligations	5 years	None	None	53801(r), 53835(c) and 57603

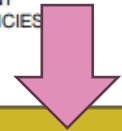
# Permissible Investments: Legal Limitations

## CREDIT QUALITY

- Some investments statutorily require a minimum credit rating:
  - Commercial Paper
  - Medium-Term Notes
  - Mortgage Pass-Through and Asset Back Securities (53601(o))
  - Supranationals
- Rating from a NRSRO

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2024)<sup>1</sup> APPLICABLE TO ALL LOCAL AGENCIES

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.



INVESTMENT TYPE	MAXIMUM MATURITY <sup>2</sup>	MAXIMUM SPECIFIED % OF PORTFOLIO <sup>3</sup>	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations—CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% <sup>4</sup>	None	53601(g)
Commercial Paper—Non-Pooled Funds <sup>5</sup> (under \$100,000,000 of investments)	270 days or less	25% of the agency's money <sup>6</sup>	Highest letter and number rating by an NRSRO <sup>7</sup>	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds <sup>5</sup> (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money <sup>6</sup>	Highest letter and number rating by an NRSRO <sup>7</sup>	53601(h)(2)(c)
Commercial Paper—Pooled Funds <sup>5</sup>	270 days or less	40% of the agency's money <sup>6</sup>	Highest letter and number rating by an NRSRO <sup>7</sup>	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>8</sup>	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% <sup>9</sup>	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% <sup>9</sup>	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>10</sup>	20% of the base value of the portfolio	None <sup>11</sup>	53601(j)
Medium-Term Notes <sup>12</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20% <sup>13</sup>	Multiple <sup>14, 15</sup>	53601(l) and 53601.6(b)
Collateralized Bank Deposits <sup>16</sup>	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities <sup>17</sup>	5 years or less <sup>18</sup>	20%	"AA" rating category or its equivalent or better <sup>19</sup>	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple <sup>14</sup>	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund <sup>20</sup>	N/A	None	None	16340
Supranational Obligations <sup>21</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603




# Permissible Investments: Legal Limitations

## PORTFOLIO CONCENTRATION

- Statutory limits on the percentage of concentration of certain securities as well as issuer.
- For example: Mutual Funds (along with MMMF) limited to 20% of portfolio, but not more than 10% in any one Mutual Fund.

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT  
CODE (AS OF JANUARY 1, 2024)<sup>a</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>b</sup>

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Commercial Paper— Pooled Funds <sup>j</sup>	270 days or less	40% of the agency's money <sup>g</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>	53835(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>k</sup>	None	53801(i)
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Medium-Term Notes <sup>o</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53801(k)
Mutual Funds And Money Market Mutual Funds	N/A	20% <sup>p</sup>	Multiple <sup>q, r</sup>	53801(l) and 53801.6(b)
Collateralized Bank Deposits <sup>s</sup>	5 years	None	None	53830 et seq. and 53801(n)
Mortgage Pass-Through and Asset-Backed Securities <sup>t</sup>	5 years or less <sup>t</sup>	20%	"AA" rating category or its equivalent or better <sup>t</sup>	53801(o)
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Voluntary Investment Program Fund <sup>v</sup>	N/A	None	None	16340
Supranational Obligations <sup>w</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53801(q)
Public Bank Obligations	5 years	None	None	53801(r), 53835(c) and 57603



# PRACTICAL APPLICATION

- Purposes, risks and benefits of different investments in a portfolio
- Available public investment resources

# Purpose, Risk, and Benefits

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Government Code establishes the investment objectives: Safety, Liquidity, and Yield

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Government Code states the types of investments and practices permitted after considering S-L-Y.

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Proper structure and diversification promote the use of reliable, diverse, and safe investments for a prudently managed portfolio that instills public trust.

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Session 5 today addresses portfolio structure and diversification.

# US Government Issued or Backed Instruments

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US Government issued or backed instruments authorized in California Code offer a variety of structures and types to meet investor needs.

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Generally speaking, the major advantage of a US Government issued or guaranteed instrument is safety of principal and income, without taking credit risk.

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However, Government Securities are still subject to interest rate risk, convexity risk, market liquidity risk (in certain situations) and variability of cash flows on certain structures.

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CGC Sections 53601(b),(f),(o),(j), & (q)

CGC Sections 53601.8 & 53635.8\*\*

\*\*FDIC and NCUA Federal Insurance

# Local Government Issued or Backed Instruments

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Local Government Issued Instruments authorized in California Code also offer a variety of structures and types to meet investor needs.

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Local Government Issued Instruments offer a higher degree of principal and income safety than corporate issued instruments, as they are usually backed by general taxing authority or revenues from local government projects.

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However, Local Government instruments are subject to credit risk, interest rate risk, convexity risk, market liquidity risk and variability of cash flows on certain structures.

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CGC Sections 53601(a)(c)(d)&(e)

CGC Sections 16429.1, 27133 & 53601(p)(r)\*\*

\*\*various risks apply to local government managed funds

# Credit Instruments

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Generally, a credit instrument is one that relies on the general or limited obligation to pay of a non-government issued-backed entity.

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Credit instruments carry the risk of loss of principal and income due to default risk.

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Credit instruments are subject to credit risk, interest rate risk, convexity risk, market liquidity risk, and headline/reputational risk.

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CGC Sections 53601(g)(h),(i),(k)(l)(n)(o) & 53635(a)

# Credit Ratings and Research

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California Government Code relies on credit ratings issued from Nationally Recognized Statistical Ratings Organizations (NRSRO's) to apply credit quality standards for purchase of investment instruments and securities by local government agencies.

- Moody's
- Stand & Poor's
- Fitch Ratings

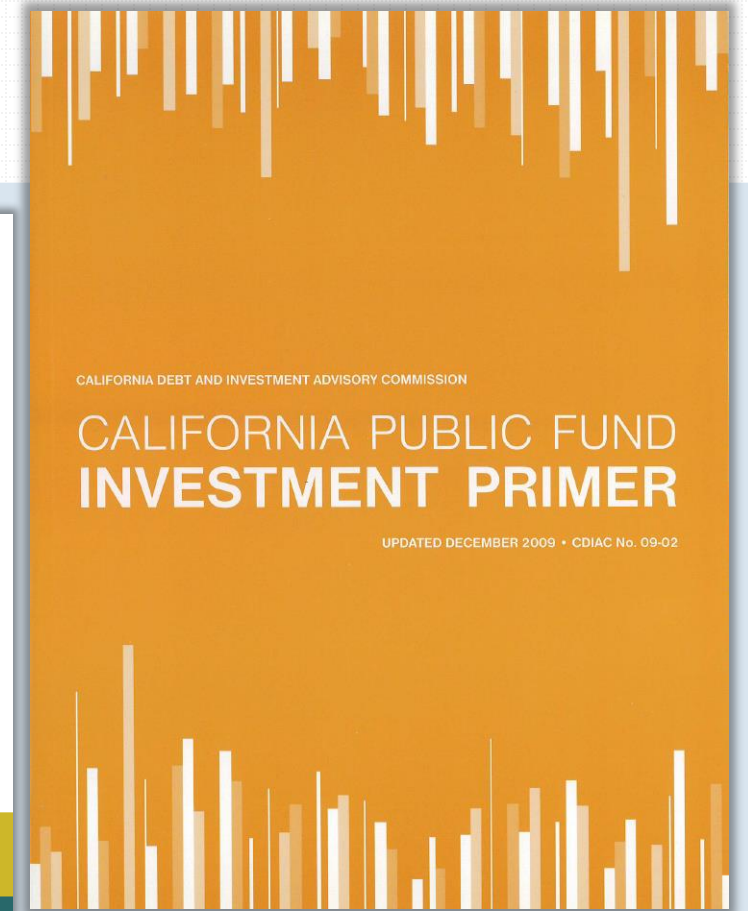
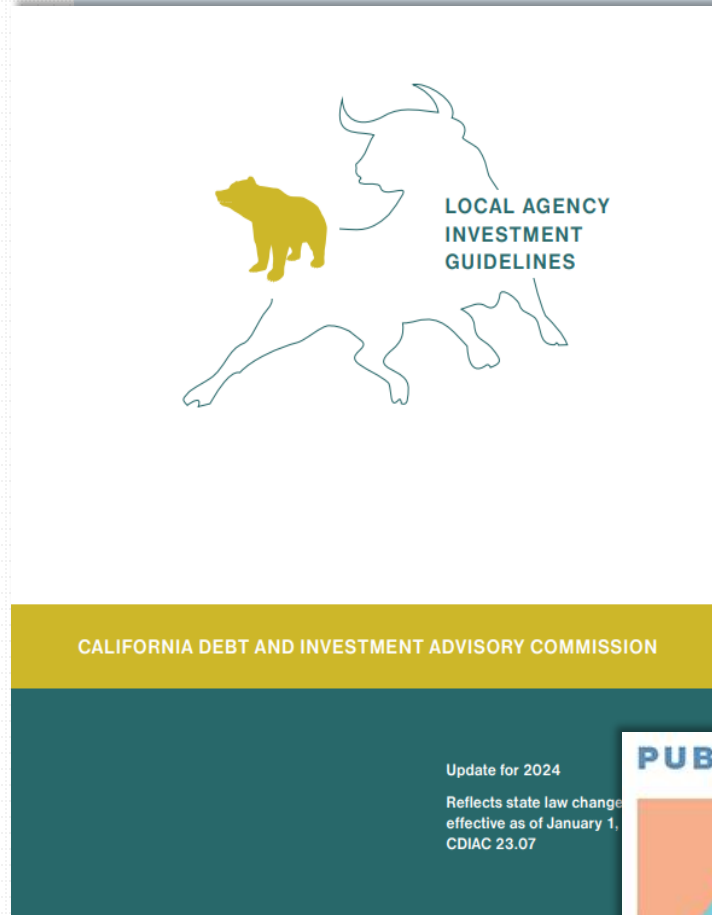
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However, you should never rely solely on credit ratings alone to determine an instruments safety and performance.

# Practical Application: Resources

## CDIAC INVESTMENT RESOURCES:

- Local Agency Investment Guidelines (LAIG)
- California Public Fund Investment Primer
- CDIAC Education Portal





# Practical Application: Resources

## II. K Are bonds issued by departments and financing authorities of the State of California permissible investments for local agencies?[Section 53601(c)]

Securities issued by the State of California are permissible investments for local agencies under Section 53601(c). However, questions arise when considering whether bonds issued by departments or financing authorities of the State are also permissible under this section.

### MINIMUM LEGAL REQUIREMENTS:

Section 53601(c) permits a local agency to invest in registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

### CONSENSUS RECOMMENDATION:

There are two conditions that a bond could meet to be a permissible investment under Section 53601(c). The first part of Section 53601(c), "state warrants, treasury notes and bonds of this state", refers to bonds issued by the State of California, for instance, general obligation bonds. This was the operative code section prior to the state's issuance of revenue bonds.

The last part of the code section broadens the definition of permissible investments to include, "bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or a department, board, agency, or authority of the state". This describes state-issued revenue bonds. Issuance by a state authority or instrumentality alone is inadequate to meet the conditions in Section 53601(c) as the source of revenue for repayment must meet the qualifier included in the code section. For a security issued by a state authority or department, are the underlying agreements considered property owned/controlled/operated by the state? In general, if a public agency intends to purchase bonds issued by a state authority or department that are not clearly revenue bonds, an agency should consult counsel on the permissibility of such an investment.



## Local Agency Investment Guidelines (LAIG)

- Provides references and recommendations for interpreting and applying California statute to common public fund investment topics related to local agencies.
- Provides information on recent state law changes.
- Updated annually.
- Latest update, January 2024.



# Current Investment Environment

- How did we get here?
- Legislative efforts

# Current Investment Environment

The 1994 Orange Co. Bankruptcy is the single event that has shaped public fund investing in California.

## LEGISLATIVE RESPONSE

Investment policy, quarterly reporting to governing board, Treasury Oversight Committees (Counties only), delegation of investment authority to county treasurer, established qualifications for appointment or election as county treasurer or county auditor. Legislative changes are ongoing.

## BEST PRACTICE DEVELOPMENT

Local Agency Investment Guidelines (LAIG), first edition published October 1996. Guidelines were developed to assist local agencies in meeting new statutory expectations and requirements. Best practices and consensus recommendations updated annually.

## RESOURCES

In 1996, the Legislature expanded CDAC's advisory responsibilities to include public fund investments. CDIAC has developed the LAIG and the California Public Fund Investment Primer as well as other Issue Briefs on investment related topics.

# Changes to Investment Code

- Codes change to adapt to market practices
- Organizations such as CMTA, CACTTC, CSFMO, and League of CA Cities lead legislative efforts
- CDIAC is a resource to both the professional organizations and legislative staff
- CDIAC tracks Federal and State legislation that impacts public investments
- Investment legislative and regulatory updates are included in LAIG update

## DEBT LINE

### California Public Debt Issuance Monthly Data

#### State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS**
Investment	<a href="#">SB 252</a>	Gonzalez, Stern, and Wiener	Public retirement systems: fossil fuels: divestment	1/30/23		7/14/23	Failed Deadline pursuant to Rule 61(a)(10)	Dead
GO Bonds	<a href="#">SB 834</a>	Portantino	Housing: California Family Home Construction and Homeownership Bond Act of 2023	2/17/23		7/12/23	Assembly Hearing Cancelled	Active
GO Bonds	<a href="#">SB 867</a>	Allen, Becker, Portantino, and Stern	Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act of 2023	2/17/23		7/6/23	Assembly Hearing Postponed	Active
Other	<a href="#">SB 878</a>	Governance and Finance	Validations					
Other	<a href="#">SB 879</a>	Governance and Finance	Validations					
Other	<a href="#">SB 880</a>	Governance and Finance	Validations					
Investment	<a href="#">SB 882</a>	Governance and Finance	Local Government Omnibus Act of 2023					
Other Tax	<a href="#">ACA 1</a>	Aguiar-Curry, Berman, and Haney	Local government financing: affordable housing and public infrastructure: voter approval					

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# Recent Changes to Investment Code: SB 882, *Local Government Omnibus Act of 2023*

- SB 882, amends Government Code 53601 (o) to clarify that Mortgage Backed and Pass-Through Securities issued or guaranteed by an issuer authorized by 53601 (b) or (f), are not subject to the same limitations as privately issued Mortgage Backed and Pass-Through Securities.
- The bill also eliminates Certified Cash Manager in the eligibility for office requirements of Government Code Section 27000.7, since the designation is no longer used by the Association for Finance Professionals (AFP).
- Effective 1/1/2024

# SB 882: Government Agency Mortgage-backed & Pass-through Securities

## GOVERNMENT CODE SECTION

### 53601(b)

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

## GOVERNMENT CODE SECTION

### 53601(f)

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

# SB 882: Other Mortgage-backed Securities

## GOVERNMENT CODE SECTION 53601(o)

- (1) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.
- (2) For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision (b) or (f), the following limitations apply:
  - (A) The security shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less.
  - (B) Purchase of securities authorized by this paragraph shall not exceed 20 percent of the agency’s surplus moneys that may be invested pursuant to this section.

# Recent Changes to Investment Code



## Summary of Changes

The 2024 *Local Agency Investment Guidelines* incorporates the following California statutory changes: Government Code Section 53601 and 27000.7.

### STATUTORY CHANGES

#### LOCAL FUNDS

Chapter 187, Statutes of 2023 (SB 882), *Local Government Omnibus Act of 2023*, amended Government Code section 53601 to clarify limitations imposed on public investment in a privately issued mortgage pass-through lateralized mortgage obligation, mortgage-backed or other equipment lease-backed certificate, consumer receivable pass-through or consumer receivable-backed bond (“mortgage pass-through securities”) that are not issued or guaranteed by a public agency defined in subdivision (b) or (f). These types of securities, if issued, are permissible investments under subdivision (o) so long as they meet the following limitations: 1. rated in a rating category of “AA” or better; 2. have a maximum remaining maturity of five years or less; 3. do not exceed the 20% of the local agency’s portfolio (see Figure 1).

A provision of this bill also amended 27000.7 to eliminate the requirement for a person to demonstrate eligibility to be elected or appointed as county treasurer, county tax collector, and county treasurer-treasurer to possess a valid certificate issued by the Treasury Manager showing the person to be designated a Certified Cash Manager. This requirement, which was eliminated, was eliminated.

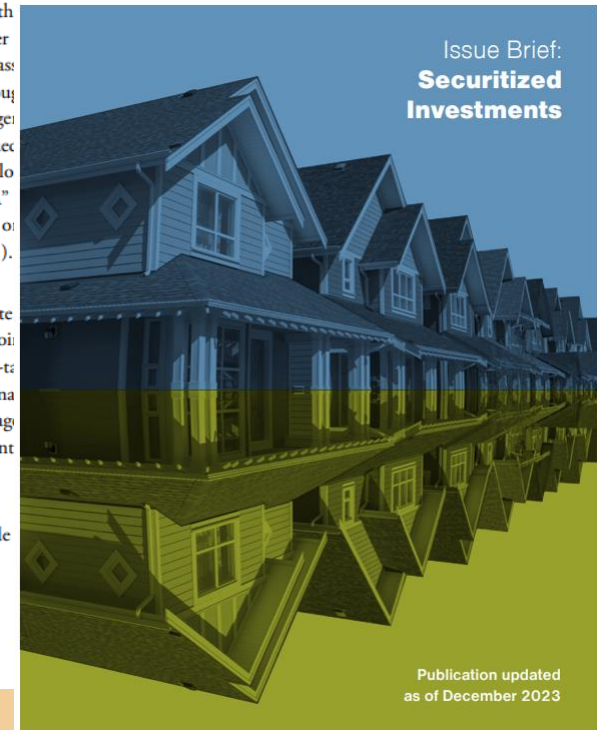
This bill made additional changes to various legislative code sections related to public debt issuance or public fund investments.

#### FEDERAL AND REGULATORY CHANGES

No changes.



- SB 882: Amended 53601 (o) regarding purchasing private label MBS/ABS and the applicable portfolio limitations
- These changes have been captured in CDIAC’s Securitized Investment Issue brief
- The original brief identified the issue of agency issued vs. private label mortgage backed and pass through securities.



Issue Brief:  
**Securitized  
Investments**

Publication updated  
as of December 2023



## INVESTMENT RESOURCES

California Debt and Investment Advisory Commission (homepage)

[www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac)

Local Agency Investment Guidelines

[www.treasurer.ca.gov/cdiac/guideline.pdf](http://www.treasurer.ca.gov/cdiac/guideline.pdf)

Debt Line (includes Legislative Update)

[www.treasurer.ca.gov/cdiac/debtpubs/debtline.asp](http://www.treasurer.ca.gov/cdiac/debtpubs/debtline.asp)

California Public Fund Investment Primer

[www.treasurer.ca.gov/cdiac/invest/primer.pdf](http://www.treasurer.ca.gov/cdiac/invest/primer.pdf)

Education Portal (investment webinar replays) [www.edportal.treasurer.ca.gov](http://www.edportal.treasurer.ca.gov)

California Municipal Treasurers Association (CMTA) [www.cmta.org](http://www.cmta.org)

California Association of County Treasurers and Tax Collectors (CACTTC)

[www.cacttc.org](http://www.cacttc.org)

Government Investment Officers Association (GIOA) [www.gioa.us](http://www.gioa.us)