

**Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 14-0754.01 Duane Gall x4335

**HOUSE BILL 14-1215**

---

**HOUSE SPONSORSHIP**

**Ginal**, Kraft-Tharp, McNulty, Navarro, Nordberg, Szabo, Williams, Melton, Ryden

**SENATE SPONSORSHIP**

**Tochtrop**,

---

**House Committees**

Business, Labor, Economic, & Workforce Development

**Senate Committees**

---

**A BILL FOR AN ACT**

101     **CONCERNING THE ABILITY OF A FEDERAL HOME LOAN BANK TO**  
102             **ENFORCE ITS RIGHTS WITH REGARD TO COLLATERAL SUBJECT**  
103             **TO A SECURITY AGREEMENT.**

---

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

In statutes governing the disposition of the assets of insolvent insurers, the bill generally prohibits a receiver or liquidator from avoiding the obligations of the insolvent insurer to a federal home loan bank with respect to collateral under a security agreement or related agreement to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
2nd Reading Unamended  
February 18, 2014

which the bank is a party.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-3-502, **add** (6.5)  
3 as follows:

4 **10-3-502. Definitions.** As used in this part 5, unless the context  
5 otherwise requires:

6 (6.5) "FEDERAL HOME LOAN BANK" MEANS AN INSTITUTION  
7 CHARTERED UNDER THE "FEDERAL HOME LOAN BANK ACT", 12 U.S.C.  
8 SEC. 1421 ET SEQ., OR ITS SUCCESSOR STATUTE.

9 **SECTION 2.** In Colorado Revised Statutes, 10-3-505, **add** (3) as  
10 follows:

11 **10-3-505. Injunctions - orders.** (3) NOTWITHSTANDING  
12 SUBSECTIONS (1) AND (2) OF THIS SECTION AND ANY OTHER PROVISION OF  
13 THIS TITLE, A FEDERAL HOME LOAN BANK SHALL NOT BE STAYED,  
14 ENJOINED, OR PROHIBITED FROM EXERCISING OR ENFORCING ANY RIGHT OR  
15 CAUSE OF ACTION REGARDING COLLATERAL PLEDGED UNDER A SECURITY  
16 AGREEMENT OR UNDER ANY PLEDGE AGREEMENT, SECURITY AGREEMENT,  
17 COLLATERAL AGREEMENT, GUARANTEE AGREEMENT, OR OTHER SIMILAR  
18 ARRANGEMENT OR CREDIT ENHANCEMENT RELATING TO A SECURITY  
19 AGREEMENT TO WHICH THE FEDERAL HOME LOAN BANK IS A PARTY.

20 **SECTION 3.** In Colorado Revised Statutes, 10-3-514, **add** (4) as  
21 follows:

22 **10-3-514. Actions by and against rehabilitator.**  
23 (4) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION AND ANY OTHER  
24 PROVISION OF THIS TITLE, A FEDERAL HOME LOAN BANK SHALL NOT BE  
25 STAYED, ENJOINED, OR PROHIBITED FROM EXERCISING OR ENFORCING ANY

1 RIGHT OR CAUSE OF ACTION REGARDING COLLATERAL PLEDGED UNDER A  
2 SECURITY AGREEMENT OR UNDER ANY PLEDGE AGREEMENT, SECURITY  
3 AGREEMENT, COLLATERAL AGREEMENT, GUARANTEE AGREEMENT, OR  
4 OTHER SIMILAR ARRANGEMENT OR CREDIT ENHANCEMENT RELATING TO  
5 A SECURITY AGREEMENT TO WHICH THE FEDERAL HOME LOAN BANK IS A  
6 PARTY.

7 **SECTION 4.** In Colorado Revised Statutes, 10-3-520, **amend** (1)  
8 (m) as follows:

9 **10-3-520. Powers of liquidator.** (1) The liquidator shall have the  
10 power:

11 (m) To enter into such contracts as are necessary to carry out the  
12 order to liquidate, and to affirm or disavow any contracts to which the  
13 insurer is a party; EXCEPT THAT THE LIQUIDATOR SHALL NOT DISAVOW,  
14 REJECT, OR REPUDIATE A FEDERAL HOME LOAN BANK SECURITY  
15 AGREEMENT OR ANY PLEDGE AGREEMENT, SECURITY AGREEMENT,  
16 COLLATERAL AGREEMENT, GUARANTEE AGREEMENT, OR OTHER SIMILAR  
17 ARRANGEMENT OR CREDIT ENHANCEMENT RELATING TO A SECURITY  
18 AGREEMENT TO WHICH A FEDERAL HOME LOAN BANK IS A PARTY;

19 **SECTION 5.** In Colorado Revised Statutes, 10-3-525, **add** (5) as  
20 follows:

21 **10-3-525. Fraudulent transfers prior to petition.**

22 (5) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION AND ANY OTHER  
23 PROVISION OF THIS TITLE, A RECEIVER SHALL NOT AVOID ANY TRANSFER  
24 OF, OR ANY OBLIGATION TO TRANSFER, MONEY OR ANY OTHER PROPERTY  
25 ARISING UNDER OR IN CONNECTION WITH A FEDERAL HOME LOAN BANK  
26 SECURITY AGREEMENT OR ANY PLEDGE AGREEMENT, SECURITY  
27 AGREEMENT, COLLATERAL AGREEMENT, GUARANTEE AGREEMENT, OR

1 OTHER SIMILAR ARRANGEMENT OR CREDIT ENHANCEMENT RELATING TO  
2 A SECURITY AGREEMENT TO WHICH A FEDERAL HOME LOAN BANK IS A  
3 PARTY; EXCEPT THAT A TRANSFER MAY BE AVOIDED UNDER THIS SECTION  
4 IF IT WAS MADE WITH ACTUAL INTENT TO HINDER, DELAY, OR DEFRAUD  
5 EITHER EXISTING OR FUTURE CREDITORS.

6 **SECTION 6.** In Colorado Revised Statutes, 10-3-526, **add** (5) as  
7 follows:

8 **10-3-526. Fraudulent transfer after petition.**

9 (5) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION AND ANY OTHER  
10 PROVISION OF THIS TITLE, A RECEIVER SHALL NOT AVOID ANY TRANSFER  
11 OF, OR ANY OBLIGATION TO TRANSFER, MONEY OR ANY OTHER PROPERTY  
12 ARISING UNDER OR IN CONNECTION WITH A FEDERAL HOME LOAN BANK  
13 SECURITY AGREEMENT OR ANY PLEDGE AGREEMENT, SECURITY  
14 AGREEMENT, COLLATERAL AGREEMENT, GUARANTEE AGREEMENT, OR  
15 OTHER SIMILAR ARRANGEMENT OR CREDIT ENHANCEMENT RELATING TO  
16 A SECURITY AGREEMENT TO WHICH A FEDERAL HOME LOAN BANK IS A  
17 PARTY; EXCEPT THAT A TRANSFER MAY BE AVOIDED UNDER THIS SECTION  
18 IF IT WAS MADE WITH ACTUAL INTENT TO HINDER, DELAY, OR DEFRAUD  
19 EITHER EXISTING OR FUTURE CREDITORS.

20 **SECTION 7.** In Colorado Revised Statutes, 10-3-527, **add** (1) (d)  
21 as follows:

22 **10-3-527. Voidable preferences and liens.**

23 (1) (d) NOTWITHSTANDING PARAGRAPH (b) OF THIS SUBSECTION (1) AND  
24 ANY OTHER PROVISION OF THIS TITLE, A LIQUIDATOR OR RECEIVER SHALL  
25 NOT AVOID ANY PREFERENCE ARISING UNDER OR IN CONNECTION WITH A  
26 FEDERAL HOME LOAN BANK SECURITY AGREEMENT OR ANY PLEDGE  
27 AGREEMENT, SECURITY AGREEMENT, COLLATERAL AGREEMENT,

1 GUARANTEE AGREEMENT, OR OTHER SIMILAR ARRANGEMENT OR CREDIT  
2 ENHANCEMENT RELATING TO A SECURITY AGREEMENT TO WHICH A  
3 FEDERAL HOME LOAN BANK IS A PARTY.

4 **SECTION 8. Safety clause.** The general assembly hereby finds,  
5 determines, and declares that this act is necessary for the immediate  
6 preservation of the public peace, health, and safety.