

3763.

APPROVAL, CONTRACTS FOR ROAD IMPROVEMENT IN FAIRFIELD,
CLARK AND COSHOCTON COUNTIES.

COLUMBUS, OHIO, November 14, 1931.

HON. O. W. MERRELL, *Director of Highways, Columbus, Ohio.*

3764.

FIRST MORTGAGE SECURITY—FOR DEPOSITORY ACCOUNTS OF
COUNTIES, MUNICIPALITIES AND SCHOOL DISTRICTS UNDER
SECTION 2288-1, GENERAL CODE—VARIOUS LEGAL QUESTIONS
CONCERNING THE TENDERING OF SUCH SECURITY DISCUSSED.

SYLLABUS:

1. *First mortgages on real estate located in Ohio, without limitation as to the rate of interest which they bear, may lawfully be deposited as security for depository accounts of counties, municipalities and school districts in accordance with the provisions of section 2288-1, General Code.*

2. *Bonds secured by first mortgages on real estate located in Ohio, bearing interest at not to exceed six percent as provided by section 2288-1, General Code, may be accepted as security for county, municipal or school district depository accounts, by force of the said statute.*

3. *The term "abstract" as used in section 2288-1, General Code, requiring the deposit of an abstract with each mortgage tendered as security for depository accounts in accordance with the said statute, should not be construed in its technical sense; the purpose of the statute is met if the abstract in question is sufficiently specific to inform the county, municipal or school authorities, as the case may be, or their counsel, that the mortgage tendered as security is in fact a first mortgage and the first lien on the property mortgaged.*

4. *When mortgages or bonds secured by mortgages are deposited as security for depository accounts, by favor of section 2288-1, General Code, the said mortgages should bear an endorsement showing that they have been assigned for the purpose provided for by the statute, which assignment may or may not be noted on the record of the mortgage.*

5. *Upon the assignment of mortgages or bonds as security for depository accounts, as provided for by section 2288-1, General Code, the policies of insurance providing for insurance against fire or tornadoes on the buildings located on the mortgaged premises should bear a notation of the facts of the said assignment.*

6. *The appraisalment of real estate secured by mortgages which are tendered as security for depository accounts by favor of section 2288-1, General Code, may lawfully be made by the persons who are the regular appraisers for the bank or trust company tendering said mortgages, providing the said persons are residents of the county where the real estate is located and are conversant with real estate values, and the depositor consents to their acting. Appraisers must be satisfactory to the depositor.*

7. *Any expenses attendant upon the appraisalment of property or the furnish-*