Mr. Lyle D. Ocobock  
Special Assistant State Treasurer  
535 Kansas Avenue  
Topeka, Kansas 66603

Re: Treasurer--State Moneys--U.S. Government Veterans Administration Loan Guaranty Certificates

Synopsis: Loan Guaranty Certificates issued by the United States Veterans Administration meet the requirements of K.S.A. 1975 Supp. 75-4201(p). They may therefore be pledged as security for state bank accounts.

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Dear Mr. Ocobock:

You have requested an opinion whether United States Government Veterans Administration Loan Guaranty Certificates meet the definition for securities as specified in K.S.A. 1975 Supp. 75-4201(p) to satisfy the requirements for pledgability pursuant to K.S.A. 1975 Supp. 75-4218.

We have examined your copy of a Loan Guaranty Certificate and the provisions of 38 U.S.C.A. § 1801, et seq., and it is our opinion that such guaranty certificates insure loans as to principal and interest [(38 C.F.R. 36.4301(s)] via an agency of the United States Government. [Pub.L. 85-857, Sept. 2, 1958, 72 Stat. 1114 (38 U.S.C.A. § 201)].

Accordingly, it is the opinion of this office that loan guaranty certificates issued by the Veterans Administration insuring principal and interest meet the requisite qualifications under K.S.A. 1975 Supp. 75-4201(p)(1). We point out, however, that these
loan guaranty certificates insure varying percentages of principal and interest, and to this extent the amount pledgable must be so limited.

Yours very truly,

CURT T. SCHNEIDER
Attorney General

CTS:JPS:kj