

113-40-02

Requirements for a financial institution.

All financial institutions (FIs) participating in OPCP shall:

~~(A) All financial institutions participating in OPCP shall:~~

~~(1)(A) Transmit the required files to OPCS, including, but not limited to, up to three files OPCS every day the federal reserve is open for ~~business;~~business.~~

(B) Report any public unit (PU) negotiated collateral requirement at an account level.

~~(2)(C) Pledge sufficient collateral when uninsured public deposits are ~~received;~~received.~~

~~(a)(1) The treasurer of state will estimate the federal deposit insurance corporation insurance (FDIC) coverage amount, which may deviate from the actual federal deposit insurance corporation insuranceFDIC limits.~~

~~(b)(2) A ~~financial institution~~ FI must address collateral deficiencies in accordance with the operating policies.~~

~~(3)(D) Pledge eligible collateral to the treasurer of state with a qualified trustee to secure the FI's public ~~deposits;~~deposits.~~

~~(a)(1) The trustee shall identify and hold collateral pledged to the treasurer ~~of state~~ for the benefit of public units (PUs) with deposits in the respective ~~financial institution~~FI.~~

~~(b)(2) The trustee shall hold all collateral pledged to the treasurer ~~of state~~ in one or more identifiable pooled collateral accounts for each ~~financial institution~~FI, as specified by the treasurer, ~~of state.~~~~

~~(e)(3) A ~~financial institution~~ FI will pledge collateral to the treasurer ~~of state~~ with a trustee as required, and the trustee will inform the treasurer ~~of state~~ of all new pledges.~~

~~(i)(a) The treasurer ~~of state~~ will not accept any statement, communication, or notice from a ~~financial institution~~ FI as evidence of pledged collateral.~~

~~(ii)(b) The treasurer ~~of state~~ will only update OPCS records on receipt of documentation submitted by the trustee.~~

(E) Monitor pledged collateral and submit a collateral release request to the treasurer in advance of the maturity date of the pledged collateral.

- ~~(4)~~(F) Submit a collateral release request to the treasurer ~~of state~~ in order to have pledged collateral released by the ~~trustee;~~trustee.
- ~~(a)~~(1) A trustee will only release collateral on the instruction of the treasurer, ~~of state,~~ and will not accept requests directly from a ~~financial institution~~FI.
- ~~(b)~~(2) Acceptance or denial of a release of collateral request will occur as determined by the treasurer, ~~of state.~~
- ~~(5)~~(G) Not pledge, combine, cross-collateralize, or aggregate pledged collateral in one pool in OPCP for either another pool in OPCP or for the benefit of any other ~~party;~~party.
- ~~(6)~~ Monitor pledged collateral and submit a collateral release request to the treasurer of state in advance of the maturity date of the pledged collateral;
- ~~(7)~~(H) Be subject to ongoing monitoring for compliance of collateral sufficiency requirements and file submission ~~requirements;~~requirements.
- ~~(a)~~(1) If the treasurer ~~of state~~ determines a ~~financial institution~~FI is not in compliance with the operating policies, collateral sufficiency requirements, or file submission requirements, then the treasurer ~~of state~~ may impose a cushion collateral requirement.
- ~~(b)~~(2) Upon entrance into OPCS, the cushion collateral requirement will have a default value of zero.
- ~~(8)~~ Report any public unit negotiated collateral requirement at an account level.

Effective:

Five Year Review (FYR) Dates: 2/2/2023

Certification

Date

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