

113-40-05**Collateral sufficiency.**

(A) In calculating the collateral percentage required at a bank account level, OPCS will require the greater of the following two calculations:

- (1) The public unit (PU) negotiated collateral requirement plus the cushion collateral requirement; or
- (2) The reduced collateral floor requirement plus any bank monitoring collateral requirement, any economic monitoring requirement, and any cushion collateral requirement.

(B) In calculating collateral sufficiency, the treasurer of state will:

- (1) Use existing market pricing available through a reputable source to determine the collateral valuation to calculate the collateral sufficiency.
 - (a) The treasurer will share the source of market pricing upon request.
 - (b) A financial institution (FI) may challenge this collateral valuation, but the treasurer shall make the final determination.
- (2) Conduct a daily review of collateral sufficiency based upon the collateral requirement calculation and the collateral valuation.
 - (a) A FI may challenge this collateral sufficiency, but the treasurer shall make the final determination.
 - (b) A FI will be notified by the treasurer of any collateral deficiencies, and will be responsible to address the deficiencies in accordance with the operating policies.

Replaces: 113-40-06

Effective:

Five Year Review (FYR) Dates:

Certification

Date

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