

TO BE RESCINDED

113-40-06 **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 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 of state will share the source of market pricing.
 - (b) A financial institution may challenge this collateral valuation, but the treasurer of state 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 financial institution may challenge this collateral sufficiency, but the treasurer of state shall make the final determination.
 - (b) A financial institution will be notified by the treasurer of state of any collateral deficiencies, and will be responsible to address the deficiencies in accordance with the operating policies.

Effective: 8/10/2023

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

CERTIFIED ELECTRONICALLY

Certification

07/31/2023

Date

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