



**COLORADO**

**Department of  
Regulatory Agencies**

Division of Banking

**April 15, 2021**

**STATE BANKING BOARD  
RULE 3-CCR 701-4 PDP4  
PERTAINING TO TITLE 11, ARTICLE 10.5, SECTION 107(1)(c)  
COLORADO REVISED STATUTES**

**STATEMENT OF BASIS, PURPOSE AND SPECIFIC AUTHORITY**

Statutory Basis

The statutory basis for Banking Board Rule 3-CCR 701-4 PDP4 is found in Section 11-10.5-107(1)(c) of the Colorado Revised Statutes.

Purpose of this Rulemaking

The purpose of this rule is to apply risk-based market values to eligible collateral allowed in Banking Board Rule 3-CCR 701-4 PDP3.

The purpose of this rulemaking is to amend 3-CCR 701-4 PDP4 to value Uniform Mortgage-Backed Securities (UMBS) and Supers Securities (Supers) issued by the Federal Home Loan Mortgage Corporation (FHLMC) or Federal National Mortgage Association (FNMA) consistently with current and previously issued FHLMC and FNMA mortgage-backed pass-through securities (MBS).

The Colorado Division of Banking (Division) finds that the proposed amendments and revisions to this rule are necessary as follows:

- The proposed amendment to 3-CCR 701-4 PDP4 is needed to apply a consistent market valuation of 100 percent to mortgage-backed securities issued previously and currently by the FHLMC and FNMA.
- The proposed amendment to 3-CCR 701-4 PDP4 is needed to correctly reference a corresponding rule for surety bonds as mentioned in PDP4(E).

Rulemaking Authority

- 11-101-102. Declaration of policy.  
11-102-104. Powers and duties of the banking board.

