



**COLORADO**

**Department of  
Regulatory Agencies**

Division of Banking

**April 15, 2021**

**STATE BANKING BOARD  
RULE 3-CCR 701-4 PDP7  
PERTAINING TO TITLE 11, ARTICLE 10.5, SECTION 109(1)  
COLORADO REVISED STATUTES**

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

Statutory Basis

The statutory basis for Banking Board Rule 3-CCR 701-4 PDP7 (Rule PDP7) is found in Section 11-10.5-109(1) of the Colorado Revised Statutes (C.R.S.).

Purpose of this Rulemaking

The purpose of this rule is to describe the requirements of the Monthly Public Depository Liability Report (Monthly Report), to ensure compliance with the Public Deposit Protection Act and the protection of Colorado's public deposits.

The purpose of this rulemaking is to amend Rule PDP7 to simplify and standardize the Monthly Report requirements to ensure consistency of reporting, examinations, and assessments among eligible public depositories (EPD).

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

- The proposed amendment to Rule PDP7 is needed to allow one option for reporting of an EPD's highest uninsured public deposit total. The proposed amendment would eliminate the highest aggregate uninsured deposit option and require reporting of an EPD's highest single day's aggregate total of uninsured deposits to ensure consistency of reporting among EPDs. This requirement would standardize reporting, record keeping and examinations.
- The proposed amendment to Rule PDP7 is needed to allow one option for reporting of an EPD's public account list. The proposed amendment would eliminate the option to report the public account list as of the highest single day or highest aggregate (allowed only via Monthly Report, not Rule) and require reporting of an EPD's public account list to be as of previous month-end to ensure consistency of reporting among EPDs. Additionally, the proposed amendment would require an EPD to report its grand total of public deposits, uninsured deposits, and market value of pledged collateral to be as of previous month-end. This requirement would standardize reporting, record keeping, examinations and assessments.
- The proposed amendment to Rule PDP7 is needed to clarify the requirements of the public account list, including the reporting of FDIC insurance coverage, uninsured balances, and the annual account number requirement. This requirement would standardize reporting and examinations.
- The proposed amendment to Rule PDP7 is needed to require an EPD to provide a complete listing of all pledged collateral as of previous month-end. This requirement would standardize reporting and enhance the Division's collateral reconciliation procedures.



- The proposed amendment to Rule PDP7 is needed to formalize the Division's current practice of requiring a letter of explanation for any collateral insufficiency experienced by the EPD on any day of the previous month. This requirement would incorporate this practice into rule and standardize the letter and its contents among EPDs.

The proposed amendments to Rule PDP7 may potentially affect each EPD's Annual PDPA Assessment. Colorado Revised Statute 11-10.5-112(2) and Banking Board Rule 3-CCR 701-4 PDP9(A)(3) establish the calculation of assessments for the PDPA. The Rule states the calculation is based on the "proportion of aggregate public deposits that each depository holds in relation to the total of all aggregate public deposits held by all eligible public depositories... Assessments may also be based on other factors as determined by the Banking Board, consistently applied."

#### Rulemaking Authority

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