



COLORADO

**Department of
Regulatory Agencies**

Division of Banking

May 16, 2019

**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 (C.R.S.).

Purpose of this Rulemaking

The amendment of 3-CCR 701-4 PDP4 is to establish a market value for Uniform Mortgage-Backed Securities (UMBS) and Supers Securities (Supers) as proposed eligible collateral in the amendment to 3-CCR 701-4 PDP3 – List of Approved Eligible Collateral Instruments and Obligations. The securities were developed through the Single Security Initiative – a joint initiative of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

The purpose of this rulemaking is to amend 3-CCR 701-4 PDP4(B) to establish market values for UMBS and Supers. The proposed market value is aligned with Commercial Mortgage-Backed securities, Collateralized Mortgage Obligations and Small Business Administration pools which are also valued at 85 percent of market value. The proposed language reflects the following changes:

1. Establish the market value for UMBS and Supers as 85 percent of the market value determined by evaluators or other analysts acceptable to the Division of Banking.

Rulemaking Authority

- 11-101-102. Declaration of policy.
- 11-102-104. Powers and duties of the banking board.
- 11-10.5-107 Eligible collateral – uninsured public deposits.

