

PDP5 Criteria and Procedures for Reducing/Removing Uninsured Public Deposits From a Bank, or Increasing Collateral Requirements, if the Eligible Public Depository Fails to Comply With Minimum Capital Standards or Safety and Soundness Standards. [Sections 11-10.5- 107(4)(a)] and [11-10.5-107(4)(b)], C.R.S.

A. Definitions.

For the purposes of this rule:

1. The “composite CAMELS rating” is the numerical rating assigned by a state or federal banking agency at the conclusion of an examination or visitation.

B. Each eligible public depository (hereinafter “depository”) must comply with the following collateral requirements based on the depository’s total risk-based capital to risk-weighted assets ratio. The depository is required to pledge the higher of the amount of eligible collateral required under this paragraph or paragraph C below.:

The depository shall pledge eligible collateral having a market value at all times in excess of the required percentage of the aggregate of uninsured public deposits held by it:

1. 102 percent. ~~If the total risk-based capital to risk-weighted assets ratio of the depository is greater than or equal to 8 percent, the depository shall pledge eligible collateral having a market value at all times in excess of 102 percent of the aggregate of uninsured public deposits held by it.~~
2. 120 percent. ~~If the total risk-based capital to risk-weighted assets ratio of the depository is less than 8 percent but greater than, or equal to 76 percent. A written capital improvement plan is required per Banking Board Rule PDP1. percent, the depository shall pledge eligible collateral having a market value at all times in excess of 120 percent of the aggregate of uninsured public deposits held by it.~~
3. ~~If the total capital to risk-weighted asset ratio of a depository is less than 7 percent but greater than or equal to 6 percent, the depository shall pledge eligible collateral having a market value at all times in excess of 140 percent of the aggregate of uninsured public deposits held by it.~~
- 4.3. 140 percent. ~~If the total risk-based capital to risk-weighted assets ratio of the depository is less than 6 percent., The depository must also comply with the requirements of PDP5(D). the depository shall pledge eligible collateral having a market value at all times in excess of 160 percent of the aggregate of uninsured public deposits held by it.~~

C. Each depository must comply with the following collateral requirements based on the depository’s composite CAMELS rating. The depository is required to pledge the higher of the amount of eligible collateral required under this paragraph or paragraph B above.:

The depository shall pledge eligible collateral having a market value at all times in excess of the required percentage of the aggregate of uninsured public deposits held by it:

1. 120 percent. ~~Upon receipt of a final report of examination or other notice that the depository has been assigned a composite CAMELS rating of 4., the depository shall pledge collateral having a market value at all times in excess of 120 percent of the aggregate of uninsured public deposits held by it.~~
2. 140 percent. ~~Upon receipt of a final report of examination or other notice that the depository has been assigned a composite CAMELS rating of 5. The depository must also comply with the requirements of PDP5(D)., the depository shall pledge eligible collateral having a market value at all times in excess of 160 percent of the aggregate of uninsured public deposits held by it.~~

~~D. A depository shall not accept any additional uninsured public deposits or renew any uninsured public deposits beyond the original maturity dates:~~

1. ~~If the depository’s total capital to risk-weighted asset ratio is below 6 percent; or~~

~~If the depository has received a final report of examination or other notice that the depository has been assigned a composite CAMELS rating of 5.~~

~~E.D.~~ Upon meeting one or both of the following conditions, the depository shall not accept any additional uninsured public deposits or renew any uninsured public funds. Additionally, the depository shall submit a plan and timeframe for eliminating all public deposits not fully insured by the FDIC, in an orderly manner. The plan will be approved as submitted or modified by the Banking Board on a case-by-case basis. A depository shall eliminate all public deposits in an orderly manner, under a plan and a timeframe approved by the Banking Board:

1. If the depository's total risk-based capital to risk-weighted assets ratio is ~~equal to or~~ less than 56 percent; or
2. If the depository has received a final report of examination or other notice that the depository has been assigned a composite CAMELS rating of 5.

~~F.E.~~ Compliance with this rule shall be the responsibility of each depository regardless of the frequency or form of the reports required by the Banking Board. The depository shall immediately notify the Banking Board upon meeting any of the capital or rating conditions listed in this Rule.