

State Depository Handbook 2023

A Financial Guide
For Holding State Funds



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Texas Comptroller of Public Accounts

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State Depository Requirements

Under Section 404.021 of the Texas Government Code, if you are a state or national bank, a savings and loan association or a credit union doing business in Texas through a main office or one or more branches, you may apply to be a Depository to hold state funds. A State Depository must be covered by federal depository insurance and maintain a physical main or branch location in Texas that accepts customer deposits and processes loan applications. The parent or main institution must apply and be approved if money is to be held in any of its branch locations. ***Branch institutions cannot apply.***

To qualify, you must agree to:

- provide, upon request, to the Texas Comptroller of Public Accounts (Comptroller) information or confirmation regarding a deposit of state funds or a pledge of collateral;
- maintain acceptable levels of eligible collateral pledged to the Comptroller and held by an independent, third-party safekeeping agent (Custodian);
- certify compliance with Texas Unclaimed Property laws, Texas Property Code Chapters 72-74;
- pay the rate of interest established by the Comptroller;
- comply with all provisions of the law relating to state depositories and perform all duties specified, as well as comply with all the rules and regulations of the Comptroller; and
- complete and submit the State Depository Application/Agreement (the Agreement) form to the Comptroller for review and approval by the Comptroller.

NOTE: *A State Depository currently holding on deposit any of the following types of funds deposited by the state must reapply for the next depository period to continue to hold them: **open time, Linked Deposits, BidTX deposit, deposit concentration funds and/or interest-bearing demand accounts.** Any State Depository currently safekeeping securities pledged to the State of Texas must reapply in order to continue serving as a Custodian*

State Depository Application Process

RESPONSIBLE ENTITY	ACTION
1. Comptroller	Notify the eligible Financial Institution.*
2. Financial Institution	Complete the Agreement.
3. Financial Institution	Complete the application: DocuSign Option: Select the appropriate application which is posted at https://comptroller.texas.gov/programs/systems/depository-application.php . Mail Option: If you prefer to complete the physical application then please mail the original completed application to: Texas Comptroller of Public Accounts Attention: Depository Application Cash and Securities Management Division, Room 636 P.O. Box 12608 Austin, Texas 78711-2608
4. Comptroller	Review and verify the Agreement.
5. Comptroller	Either approve or reject the Agreement.
6. Comptroller	Notify the Financial Institution of the Comptroller's decision designating the Financial Institution as a State Depository.
7. State Depository	If interested, State Depository may email the Comptroller through the Investment Accounting Division of the Texas Treasury Safekeeping Trust Company at ttstc.fin.invacct@ttstc.texas.gov to request an open time interest-bearing deposit (that is insured by Deposit Insurance) or the State Depository can bid on time deposits at our monthly BidTX auction. To receive an open time interest bearing deposit or to be able to participate in the monthly BidTX auction, all requests must be received no later than two (2) business days prior to the current month auction date. Any request received less than two (2) business days prior to the current month auction date will be applied to the next monthly auction.

* State Depository information can be found at <https://comptroller.texas.gov/programs/systems/depository-application.php>

Instructions for the State Depository Application/Agreement

State Depository Application/Agreement

PRINT FORM

RESET FORM

AP18510 F052317

State Depository Application/Agreement

State Depository (Depository) application procedures are established under Chapter 404 of the Texas Government Code. This application is for the period beginning September 1, 2023 and ending August 31, 2025.

Section I must be reviewed by all Depository applicants.

Section II must be completed by Financial Institutions applying for state deposits fully insured by its Deposit Insurance.

Section III must be completed by Financial Institutions requesting state deposits in excess of its Deposit Insurance.

Section IV must be completed by all Depository applicants.

Section V is an application checklist.

Section I: Terms and Conditions

Upon designation as a Depository, the Financial Institution agrees to the following terms and conditions:

Capital-to-Asset Ratio Policy: Depositories must meet the following capital-to-asset requirements: **No more than current Deposit Insurance levels less 5 percent (to allow for accrued interest) can be held in time deposits with a Depository whose capital-to-asset ratio is less than 5 percent.** If Financial Institution's time deposits are above deposit insurance levels and the most recent capital-to-asset ratio drops below 5 percent, immediate action will be taken to reduce time deposits to deposit insurance levels less 5 percent (to allow for accrued interest). Upon designation of a Financial Institution as a Depository under Section II of the State Depository Application, a Financial Institution is eligible to receive time deposits up to the amount of its Deposit Insurance level less 5 percent (to allow for accrued interest) regardless of its capital-to-asset ratio.

Collateral: If the Financial Institution requests designation for state deposits in excess of Deposit Insurance, it will execute the Resolution and the Security Agreement/Pledge of Collateral in Section III. The Financial Institution pledges to deposit sufficient collateral with an authorized Custodian to secure the amount of state deposits in excess of Deposit Insurance, with interest. The Financial Institution will deposit the required collateral in the form of eligible investment securities acceptable to the Texas Comptroller of Public Accounts (Comptroller).

Records: The Financial Institution will maintain separate and complete records related to all collateral necessary to secure state deposits. Such collateral records shall be regularly monitored by the internal auditor of the Financial Institution and shall be reconciled to the records of the Custodian quarterly. The Financial Institution will provide, upon request, to the Comptroller information or confirmation regarding a deposit of state funds or a pledge of collateral. The books and accounts of the Financial Institutions will be open at all times for inspection by the Comptroller or his representative.

Interest: The interest rate paid by the Financial Institution on state time deposits shall be the rate of interest established by the Comptroller. The Comptroller shall collect interest as described in the State Depository Handbook. Any modifications to this process may be made with 30 days' prior written notice. If, for any reason, the Comptroller requests that its deposits, or a portion thereof, be returned prior to maturity, any resulting early withdrawal penalty shall be waived by the Financial Institution. In the event the Financial Institution does not remit the maturing principal on the maturity date of a time deposit that has not been renewed by the Comptroller, the Financial Institution agrees to compensate the Comptroller for the period held after maturity at the interest rate in effect for the deposit.

Withdrawals and Remittances: Funds on deposit, except time deposits, are subject to withdrawal and remittance to the Comptroller upon demand and without penalty. Time deposits are also subject to withdrawal upon demand and without penalty, except as provided by law.

CRA Ratings: To be designated a Depository, "regulated financial institutions," as defined by 12 U.S.C. Section 2902 (generally banks and savings and loans) are required by Section 404.0212 of the Texas Government Code to report their most recent Community Reinvestment Act (CRA) rating to the Comptroller annually by August 1 and not later than the 30th day after they are notified that their assigned rating has been changed. A "regulated financial institution" cannot be designated as a Depository if its CRA rating is below "outstanding" or "satisfactory." Any change in a Depository's CRA rating must be reported to the Comptroller within 30 days. If the rating changes to below "outstanding" or "satisfactory," the Comptroller will take immediate action to transfer all state deposits from that Depository. **The CRA rating reported for any out-of-state institution doing business through one or more Texas branches must be the CRA rating for the Texas region, or the CRA rating for the individual branches in Texas.**

Agreement and Termination: This Agreement, upon execution by the Financial Institution and approval by the Comptroller, shall be binding upon all parties thereafter. All state deposits held by the Financial Institution shall be governed by the terms and conditions of this Agreement. This Agreement shall remain in full force and effect until: either party has received 30 days' prior written notice of termination of this Agreement from the other party, and 45 days after the date all state funds have been returned to the Comptroller.

Reports: The Financial Institution shall provide all reports required by the Comptroller, including statements of condition, account statements and confirmations showing the amounts deposited, as described in the State Depository Handbook.

Unclaimed Property Compliance: The Financial Institution certifies that it has complied with Chapters 72-74, Texas Property Code, relating to unclaimed property (the Unclaimed Property laws). The Financial Institution understands that compliance with the Unclaimed Property laws is a condition precedent for qualification as a Depository. The Financial Institution further understands and hereby agrees that failure to comply with the Unclaimed Property laws is a sufficient basis for forfeiting its designation as a Depository.

Deposit Insurance: The Financial Institution must be federally insured by either the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund throughout the term of this agreement. The Financial Institution shall provide written notice of any change in federal deposit insurance as soon as possible, but not less than 60 days advance notice, and include the new coverage amount and effective date of the change.

Authorized Signature For Account Purposes: After its designation as a Depository, the Comptroller may as required provide the Financial Institution with the Comptroller Authorized Signature to be used for all account purposes as may be preauthorized in writing from time to time by the Comptroller during the term of this Agreement.

State Depository Application/Agreement



Signature Authority: The Texas Comptroller of Public Accounts is duly elected and has taken the oath of office as the Texas Comptroller of Public Accounts. The Texas Comptroller of Public Accounts is not defined as a 'bank customer' and is considered an exempt person for purposes of certain banking requirements, including those to identify and verify bank accountholders under 31 USCS Section 5318(l). The Texas Comptroller of Public Accounts meets the definition of an exempt person, and a bank may treat a person as a governmental agency if the name of such person reasonably indicates it is described as such. See 31 CFR Section 1020.315. The Financial Institution is entitled to rely on the authority of the Texas Comptroller of Public Accounts Authorized Signature until it receives revocation of such authority.

Account Services Upon Comptroller Request: After its designation as a Depository, the Comptroller may as required request the Financial Institution provide certain account services. These account services may include opening and closing accounts, use of the facsimile signature, and use of a branch location Night Drop. The Comptroller shall provide advance written notice of a request to open or close an account and related matters. The Comptroller may also request a Night Drop at a Financial Institution branch location(s), in writing. The Comptroller may agree to pay fees to the Financial Institution for requested account services.

Successor Institutions: If a successor Financial Institution succeeds to the interest of the Financial Institution or if the Financial Institution is adjudged bankrupt or insolvent, or a receiver, liquidator or conservator of the Financial Institution or of its property is appointed, or if any public officer takes charge or control of the Financial Institution or its property, then the successor Financial Institution, receiver, liquidator, conservator or public officer shall, without any further act, be bound by and vested with all rights, powers, duties and obligations of the Financial Institution, including all collateral obligations, under this Agreement. The successor Financial Institution, receiver, liquidator, conservator or public officer shall provide written notice of the same under the terms of this Agreement as soon as possible.

Compliance with Laws: The Financial Institution will comply with applicable state and federal laws in the performance of duties and services under this Agreement.

Governing Law and Venue: This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under this Agreement is fixed in any court of competent jurisdiction of Travis County, Texas.

Time Limits: Time is of the essence in the performance of this Agreement. Financial Institution shall strictly comply with all of the deadlines, requirements, and terms of this Agreement.

Notice: The parties will provide notice under the Agreement in writing and sent by certified mail, overnight mail or email, to the named person at the address set forth in Section IV or such other place designated by written notice from one party to the other. Notices will only be effective upon receipt. For notice to the Comptroller, please direct it as follows:

Texas Comptroller of Public Accounts	Phone 512-463-5905
Attention: Depository Application	Email state.depositary@cpa.texas.gov
Cash and Securities Management Division, Room 636	
P.O. Box 12608	
Austin, TX 78711-2608	

Binding Agreement; Amendment: All of the terms and provisions of this Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns. This Agreement may only be amended in a writing signed by the parties hereto.

Texas Public Information Act: Financial Institution understands that Comptroller will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code), as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material in connection with this Agreement may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Financial Institution is required to make any information created or exchanged with the State pursuant to this Agreement, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State. Within three (3) days of receipt, the Financial Institution will refer to the Comptroller any third-party requests, received directly by the Financial Institution, for information to which the Financial Institution has access as a result of or in the course of performance under this Agreement.

Dispute Resolution: Disputes arising under the contract shall be resolved in accordance with the dispute resolution process provided in Chapter 2260 of the Texas Government Code.

Severability: If any provision of this Agreement is construed to be illegal or invalid, such construction will not affect the legality or validity of any of its other provisions. The illegal or invalid provision will be deemed severable and stricken from this Agreement as if it had never been incorporated herein, but all other provisions will continue in full force and effect.

Waiver: No provision of this Agreement may be waived except by a writing signed by the party to be bound and any waiver of any nature will not be construed to be a waiver of subsequent acts.

Entire Agreement: This Agreement represents the entire agreement between the parties hereto and supersedes any and all prior agreements between the parties, whether written or oral, that relate to the matters described herein. In the event of a conflict between the provisions of this State Depository Agreement and any other document, this Agreement shall control. The parties acknowledge this Agreement is the controlling document between the parties and no document, whether currently in existence or not, shall alter or supplement the terms of this Agreement regardless of the terms of such document. Any change to the terms of this Agreement shall be through a written amendment signed by the parties only.

Force Majeure: Neither Financial Institution nor Comptroller shall be liable to the other for any delay in or failure of performance of any requirement included in the contract caused by force majeure. Force majeure is defined as those causes generally recognized under Texas law as constituting impossible conditions. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. The Financial Institution must inform the Comptroller in writing with proof of receipt within three (3) business days of the existence of such force majeure or otherwise waive this right as a defense.

State Depository Application/Agreement



No Waiver of Sovereign Immunity: The Financial Institution agrees and acknowledges that this Agreement shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to Comptroller as an agency of the State of Texas or otherwise available to Comptroller. The failure to enforce or any delay in the enforcement of any privileges, rights, defenses, remedies, or immunities available to Comptroller under this Agreement or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. Comptroller does not waive any privileges, rights, defenses, remedies, or immunities available to Comptroller as an agency of the State of Texas, or otherwise available to Comptroller, by entering into this Agreement or by its conduct prior to or subsequent to entering into this Agreement. **The modification of any privileges, rights, defenses, remedies, or immunities available to Comptroller must be in writing, must reference this section, and must be signed by Comptroller to be effective, and such modification of any privileges, rights, defenses, remedies, or immunities available to Comptroller shall not constitute a waiver of any subsequent privileges, rights, defenses, remedies, or immunities under this Agreement or under applicable law.**

Liability: The Financial Institution shall be fully liable for any and all losses of state deposits resulting from any failure by the Financial Institution to perform its duties pursuant to the terms of the Agreement or for action taken in contravention of the Agreement, other than actions taken or omitted upon written instruction from an Authorized Representative of the Comptroller.

INDEMNITY: FINANCIAL INSTITUTION SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND COMPTROLLER, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF THE FINANCIAL INSTITUTION OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. THE DEFENSE SHALL BE COORDINATED BY FINANCIAL INSTITUTION WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND FINANCIAL INSTITUTION MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. FINANCIAL INSTITUTION AND COMPTROLLER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. THIS SECTION IS NOT INTENDED TO AND SHALL NOT BE CONSTRUED TO REQUIRE FINANCIAL INSTITUTION TO INDEMNIFY OR HOLD HARMLESS THE COMPTROLLER OR THE STATE OF TEXAS FROM ANY CLAIMS OR LIABILITIES ARISING OUT OF OR RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF COMPTROLLER OR ANY COMPTROLLER INDEMNITEE.

Energy Company Boycotts: The Financial Institution represents and warrants that: (1) it does not, and will not for the duration of this Agreement, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to this Agreement. If circumstances relevant to this provision change during the term of this Agreement, the Financial Institution shall promptly notify the Comptroller.



Firearm Entities and Trade Associations Discrimination: The Financial Institution verifies that: (1) it does not, and will not for the duration of this Agreement, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to this Agreement. If circumstances relevant to this provision change during the term of this Agreement, the Financial Institution shall promptly notify the Comptroller.


Section II: Designation to Hold State Deposits Fully Insured by Deposit Insurance

Any eligible Financial Institution that requests to hold FDIC-insured state deposits or state deposits insured by the National Credit Union Share Insurance Fund may complete this section in lieu of Section III. A Resolution by a Board of Directors/Governing Body or the Loan Committee and a Security Agreement are not required for approval under this section.

NOTE: The total of state time deposits (which include open time, Linked Deposits, BidTX deposits, or interest-bearing demand accounts) or the total of state demand deposits (which includes deposit concentration accounts) at an approved State Depository cannot, at any time, exceed its Deposit Insurance levels if the Depository is approved under this section. To hold more than its Deposit Insurance levels, a Depository must submit a new Depository Application and complete Section III of the Application/Agreement.

The Financial Institution agrees to comply with all provisions of the Terms and Conditions set out in Section I of this Application/Agreement, except those provisions relating to collateral, and requests designation as a Depository to hold state deposits that are fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. It is understood that upon designation of the Financial Institution as a Depository under this section, the Financial Institution is eligible to receive state deposits up to the amount of its Deposit Insurance less 5 percent (to allow for accrued interest). **If the Financial Institution's Deposit Insurance decreases, the Financial Institution must give the required notice to the Comptroller and, before the date of the decrease, reduce its deposits to the amount of its Deposit Insurance less 5 percent (to allow for accrued interest). If the Financial Institution fails to comply with this requirement, the Comptroller may withdraw state deposits to the amount of the Financial Institution's Deposit Insurance less 5 percent (to allow for accrued interest).** The President, any Vice President or the Cashier of the Financial Institution must sign below.

 **1** _____  **2** _____
Signature Date

 **3** _____
Printed name and title

State Depository Application/Agreement

Each item listed corresponds with the matching number on the Agreement.

1 ***Signature:***
Signature of president, any vice president or the cashier of the Financial Institution.

2 ***Date:***
Enter the date upon which this section was signed.

3 ***Name and Title:***
Enter the name and title of officer who signed this section.

State Depository Application/Agreement

Each item listed corresponds with the matching number on the Agreement.

- 4** *Name of Financial Institution:*
Enter your Financial Institution's full, legal name.
- 5** *City, State:*
Enter the city and state in which your Financial Institution's office is located.
- 6** *Location Address:*
Enter the address where the meeting was held at which the Agreement was approved.
- 7** *On the _____ Day of:*
Enter the date on which the meeting was held.
- 8** *Up to a maximum of \$ _____:*
Enter the maximum amount of securities the Financial Institution is authorized to pledge to secure state deposits in excess of Deposit Insurance coverage.
- 9** *Name of Financial Institution:*
Enter your Financial Institution's full, legal name.
- 10** *Name of Financial Institution:*
Enter your Financial Institution's full, legal name.
- 11** *_____ Day of _____:*
Enter the date on which the resolution was signed.
- 12** *Secretary's Signature:*
Signature of secretary of board of directors or loan committee.
- 13** *Name:*
Enter name of secretary who signed above.
- 14** *Seal:*
Place Financial Institution seal, if available.

State Depository Application/Agreement

Security Agreement/Pledge of Collateral for State Deposits in Excess of Deposit Insurance



WHEREAS,  15 is making application to be designated a State
Name of Financial Institution

Depository, under the general laws of Texas, and if designated by the Comptroller as a State Depository, the Financial Institution, in order to perfect the Comptroller's security interest in securities pledged by the Financial Institution from time to time to secure state deposits covenants, agrees and binds itself as follows:

The Financial Institution agrees to comply with all of the Terms and Conditions set out in Section I of the State Depository Application/Agreement, which is incorporated into this Security Agreement for all purposes.

The Financial Institution, in order to secure deposits in excess of the funds insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF), grants to the Comptroller a security interest in securities acceptable to the Comptroller. Securities with a market value not less than the amount of state deposits to be perfected first priority secured will be delivered to the Comptroller or an independent third party Custodian in accordance with Section 404.031, Texas Government Code, to be held by or for the Comptroller, as security for all funds belonging to the State of Texas which may be placed on deposit in the Financial Institution, together with interest thereon. Currently, the Comptroller requires 105 percent collateralization of all state deposits in excess of FDIC and NCUSIF insurance coverage and 125 percent collateralization for any securities pledged to the state that have a declining principal balance.

The Financial Institution hereby represents that it shall pledge as security for state deposits only those securities in which it is the legal and actual owner, free and clear of all other liens or claims.

The Financial Institution agrees to pledge sufficient collateral before receipt of state funds and to pledge additional securities immediately whenever necessary to ensure the full collateralization of state deposits.

Should the Financial Institution fail at any time to immediately remit any state funds deposited with the Financial Institution, when due or upon request, the Comptroller shall have the right and power any time thereafter to recover the entire amount of money belonging to the State of Texas then on deposit in said Financial Institution, together with all accrued interest allowed by law, by sale of the collateral pledged. The Financial Institution hereby agrees to fully cooperate and to execute any documents necessary or appropriate in order for the Comptroller to conduct the sale of the collateral pledged. The sale may be public or private, may be made in Austin, Texas, or elsewhere at the direction of the Comptroller, and shall convey the securities absolutely to the purchaser thereof. No notice of the sale shall be necessary.


Should the Comptroller elect to initially sell less than the entire amount of the pledged securities and the sale shall fail to produce sufficient money to pay the state the entire amount of money it has on deposit in the Financial Institution with all interest thereon, then the Comptroller may exercise such power of sale as often thereafter as may be necessary to produce sufficient money for such purposes.

It is hereby fully understood that all usual and necessary expenses and commissions incurred by the Comptroller in connection with the sale or sales of pledged securities may be deducted from the proceeds of the sale. Any funds resulting from the sale or sales in excess of the amount necessary to pay the Comptroller the entire amount of the state's deposit and the expenses of the sale or sales shall be remitted by the Comptroller to the Financial Institution.

All powers conferred upon the Comptroller may be exercised with respect to any additional or substituted securities which may be delivered by the Financial Institution to the Comptroller under the provisions of this Security Agreement, or the laws of Texas.

The Financial Institution shall maintain this Security Agreement among its official records continuously until such time as this Security Agreement is terminated and all state deposits have been properly paid out.

By signing their name below, the authorized designee of the Board of Directors/Governing Body or the Loan Committee shall cause the Financial Institution to enter into this SECURITY AGREEMENT/PLEDGE OF COLLATERAL.

The next Board of Directors/Governing Body meeting will be held on  21
Date

Evidence of ratification of this resolution must be provided to the Comptroller's office no later than 30 days after the next scheduled Board of Directors/Governing Body meeting.

16
Name of Financial Institution

By  17
Signature of Authorized Officer

 18
Printed name

 19
Title

 20
Date

State Depository Application/Agreement

Each item listed corresponds with the matching number on the Agreement.

15 *Name of Financial Institution:*

Enter your Financial Institution's full, legal name.

16 *Name of Financial Institution:*

Enter your Financial Institution's full, legal name.

17 *Signature:*

Provide the signature of authorized designee of the board of directors or the loan committee. Must be the president, any vice president or the cashier.

18 *Name:*

Provide the name of person signing above.

19 *Title:*

Enter the title of person signing above.

20 *Date:*

Enter the date on which this Security Agreement was signed.

21 *Date:*

If "Resolution by the Loan Committee" was selected on Page 4 of the Agreement (Page 8 of this Handbook) enter the date of the next scheduled Board of Directors/Governing Body meeting. Evidence of ratification must be provided to the Comptroller's office no later than 30 days after the next scheduled Board/Governing Body meeting.

State Depository Application/Agreement

Section IV: Required Information



The undersigned bank, savings and loan association or credit union, which is doing business in Texas through its main office or its branches (Financial Institution), must submit this Depository Application/Agreement (the Agreement) for approval by the Texas Comptroller of Public Accounts (Comptroller) when requesting designation as a depository.

Name of Financial Institution: 22

Bank capital stock: 23 000.00 round to thousands Bank surplus: 24 000.00 round to thousands

Maximum amount of state time deposits requested: 25 000.00 round to thousands

Time deposits, which include open time, Linked Deposits, BidTX deposits and/or interest-bearing demand accounts, are limited to the maximum amount approved by the Comptroller, which cannot exceed two times the Financial Institution's capital stock and surplus if the requested amount is above the federally insured limit. Deposit concentration funds are not subject to this maximum but require collateralization, as do all state deposits in excess of federal deposit insurance coverage.

Transit and routing number: 26

Mailing address: 27

City: 28 County: 29

State: 30 9-digit ZIP code: 31 Phone number: 32

President/C.E.O.: Mr. Ms. 33 Name Title

Email address: 34

Contact for time deposits: Mr. Ms. 35 Name 36

Email address: 37

Alternate contact: Mr. Ms. 38 Name

Email address:

Holding company name: 39

Texas CRA rating: 40 Bank taxpayer identification number: 41

Out-of-State institutions must also complete the following required information:

Texas law requires that State Depositories must be doing business in Texas through a main office or one or more branches. Please provide the following information for the main Texas branch location:

Texas mailing address: 42 City: 43

9-digit ZIP code: 44

Under Ch. 559, Government Code, you are entitled to review, request and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or number listed on this form.

State Depository Application/Agreement

Each item listed corresponds with the matching number on the Agreement.

22 *Name of Financial Institution:*

Enter your Financial Institution's full legal name.

23 *Paid-Up Capital Stock:*

Enter the total of paid-up capital stock rounded to the nearest thousand. If applicant is a mutual savings and loan or credit union, enter a zero (0) here.

24 *Surplus:*

Enter your surplus rounded to the nearest thousand. Do not include retained earnings. If applicant is a mutual savings and loan, enter a zero (0) here. For credit unions, enter UNDIVIDED EARNINGS rounded to the nearest thousand.

25 *Maximum Amount of State Time Deposit Funds Requested is:*

A State Depository can apply for approval it desires to hold time deposits, which include open time, Linked Deposits, BidTX deposits and interest-bearing demand accounts. **The maximum amount requested for the two-year depository period, however, cannot exceed two times the institution's capital stock and surplus if the requested amount is above the federally insured limit.** Deposit Concentration funds are not subject to this approval amount, but those funds require collateralization as do all funds deposited by the state in excess of FDIC or NCUSIF insurance coverage.

26 *Transit and Routing Number:*

Enter your parent Financial Institution's assigned nine-digit transit and routing number for the main office.

27 *Address:*

Enter your Financial Institution's main office mailing address.

28 *City:*

Enter the name of the city in which your Financial Institution's main office mailing address is located.

29 *County:*

Enter the name of the county in which your Financial Institution's main office mailing address is located.

30 *State:*

Enter the state where your Financial Institution's main office mailing address is located.

31 *Zip Code:*

Enter your Financial Institution's main office mailing address nine-digit ZIP code.

State Depository Application/Agreement

Each item listed corresponds with the matching number on the Agreement.

32 *Phone Number:*

Enter your Financial Institution's phone number, with area code (preferably a phone number that can be accessed from 8 a.m. to 5 p.m.).

33 *President:*

Enter your president or C.E.O.'s name (first name, middle initial, last name and title).

34 *Email Address:*

Enter the email address of the president or C.E.O. If your institution does not have Internet access for email, please indicate here.

35 *Contact for Time Deposits:*

Enter the name of the contact for time deposits.

36 *Phone Number:*

Enter a phone number for the time deposit contact.

37 *Email Address:*

Enter the email address of the time deposit contact. If your institution does not have Internet access for email, please indicate here.

38 *Alternate Contact:*

Enter a name, phone number and email address for alternate contact.

NOTE: All time deposit contact and alternate contact information must be kept current. The institution must notify the Comptroller of any change in contact names, phone numbers and/or email addresses.

39 *Holding Company Name:*

If your institution is a member of a bank holding company, enter your holding company's full, legal name.

40 *Texas CRA Rating:*

If a bank or savings and loan, enter your **current** Community Reinvestment Act (CRA) rating. If applicant is an out-of-state institution with one or more branches in Texas, enter the CRA rating for the Texas region or the CRA rating for the individual branches in Texas, **not the institution's overall rating.**

O–Outstanding S–Satisfactory I–Needs improvement N–Substantial non-compliance

State Depository Application/Agreement

Each item listed corresponds with the matching number on the Agreement.

NOTE: *Per Section 404.0212, Texas Government Code, the Comptroller cannot select as a State Depository a bank or savings and loan that has a CRA rating that is below “outstanding” or “satisfactory.” If a State Depository’s CRA rating changes at any time, the State Depository must report such change to the Comptroller within 30 days. If the rating changes to below “outstanding” or “satisfactory,” the Comptroller will take immediate action to transfer all state deposits from that State Depository.*

- 41** ***Bank Taxpayer Identification Number of the Parent Financial Institution:***
Enter your primary 9-digit taxpayer identification number, the one under which any unclaimed property is reported. If the applicant is an out-of-state institution, enter the taxpayer ID of the Texas branch under which any unclaimed property is reported. If a Financial Institution submits an application and a current unclaimed property report has not been submitted, your institution will be contacted by the Comptroller to verify compliance.
- 42** ***Texas Mailing Address:***
Enter the mailing address of the main Texas branch.
- 43** ***City:***
Enter the name of the city of the main Texas branch.
- 44** ***9-Digit ZIP Code:***
Enter the nine-digit ZIP code of the main Texas branch.

State Depository Application/Agreement

Section V: Checklist



Before submitting your application to the Comptroller, confirm that the following are completed:

- If requesting to hold state deposits fully insured by Deposit Insurance, complete Section II.
- If requesting to hold state deposits in excess of Deposit Insurance, complete Section III.
- If submitting alternate Section III Resolution, include required Resolution elements found on page 18 in the State Depository Handbook.
- Ensure Section III Resolution is not more than 4 years old on the date of your application.
- Sign in the appropriate signature section(s).
- Complete Section IV.
- Verify that the capital stock and surplus amounts on page 6 and your statement of condition are the same.
- 45** **Attach a current statement of condition (a daily call report, financial statement or the most recently published quarterly report).**

DocuSign Option: To complete the application electronically, please visit the State Depository website at <https://comptroller.texas.gov/programs/systems/depository-application.php> to access the appropriate electronic application.

Mail Option: If you prefer to complete the physical application then please mail the original completed application to:
Texas Comptroller of Public Accounts
Attention: Depository Application
Cash and Securities Management Division, Room 636
P.O. Box 12608
Austin, TX 78711-2608

*For help with this form, refer to the State Depository Handbook, at www.comptroller.texas.gov/programs/systems/depository-application.php.
If you have any further questions regarding this application/agreement, please contact the Cash and Securities Management Division of the Comptroller of Public Accounts at state.depository@cpa.texas.gov*

State Depository Application/Agreement

Each item listed corresponds with the matching number on the Agreement.

- 45** ***Statement of Condition (Note: Must accompany agreement):*** You are required to return to the Comptroller a **current statement of condition** (e.g., a quarterly published report, financial statement or a daily call report) **dated no earlier than three months prior to application date**. The application package includes the same report of conditions required by the FDIC for banks, the Savings and Loan Commissioner for savings and loans and the NCUA and Credit Union Commission for credit unions. Prepare these forms in the same manner that you would prepare forms for these regulatory offices.

Required Elements for Amended or Alternate Resolutions

(Note: These guidelines are for information purposes only and pertain only to Financial Institutions not using our standard Section III Resolution. All alternate Resolutions received will be submitted to Comptroller legal counsel for review.)

- State the Adoption of Resolution. Include the following:
 - Financial Institution’s full, legal name.
 - city and state the Financial Institution’s office is located.
 - indication of whether the Board of Directors/Governing Body or the Loan Committee held the meeting.
 - address at which a duly convened meeting was held to approve the agreement.
 - date on which duly convened meeting was held.
 - statement indicating whether a quorum was present at the meeting.
 - statement indicating whether a Resolution was adopted upon a motion duly made and seconded.
 - statement indicating whether the Resolution was entered upon the books of the Financial Institution.

- Include the following recitals:
 - “It is the purpose of this Financial Institution to make application to the Comptroller to be designated as a State Depository for the period beginning **Sept. 1, 2023, and ending Aug. 31, 2025.**”
 - “State law requires that all State Depositories pledge eligible investment securities to secure state deposits in excess of federal deposit insurance limits.”

- State the **maximum amount** of securities the Board of Directors/Governing Body or the Loan Committee has approved to pledge to secure state deposits in excess of Deposit Insurance coverage.

- Identify the types of Officers of this Financial Institution who are hereby fully empowered to execute and authorize the following:
 - prepare and present an application on behalf of this Financial Institution to become a State Depository, which shall become a **binding agreement** upon acceptance by the Comptroller.

Required Elements for Amended or Alternate Resolutions

- execute, on behalf of this Financial Institution, **a Security Agreement, and any and all contracts** that may be lawfully required by the Comptroller.
 - deliver and pledge such securities owned by this Financial Institution free and clear of all other liens and claims, which the Comptroller has approved to receive and hold as pledged securities to guarantee and secure the payment of state deposits as required by law.
 - **deposit other and additional securities** whenever required by the Comptroller.
 - **substitute any pledged securities** with the consent of the Comptroller.
 - **execute** for this Financial Institution **any contract or instrument**, evidencing a pledge of any or all pledged securities, which gives the Comptroller powers of sale and disposition of the pledged securities and of the net proceeds of sale thereof after deducting necessary commissions and expenses, as may be required by the Comptroller.
- State that **the Agreement and pledge of securities approved by this Resolution** shall continuously, from the time of execution, be **official records** of this Financial Institution.
- Include a Certification which can be a separate certificate:
- **certify** that the foregoing **is a Resolution duly adopted by the Board of Directors/ Governing Body or the Loan Committee** of the Financial Institution at a meeting held on the aforementioned date, at which a quorum of the Directors/Governing Body or Committee members were present.
 - **certify** that the **Resolution has not been altered, amended, repealed or rescinded** and is now in full force and effect.
 - **include** the statement: In Witness Whereof, I have hereunto subscribed my name and, if available, affixed the seal of the (Name of Financial Institution) this (day) of (month) (year).
 - **include** a Signature of the undersigned Secretary and their Printed Name.

Reporting Requirements

Deposit Concentration Accounts:

- Each State Depository holding a Deposit Concentration account **must** furnish the Comptroller an electronic monthly statement of account balances with that State Depository.
- If an institution has more than one Comptroller account, it **must** send an electronic statement for each individual account.
- All Deposit Concentration account statements and confirmations should be emailed to: **TA.concentration@cpa.texas.gov**

(For BidTX and Open Time Deposits, see below.)
- Any questions concerning statement requirements, confirmations or account balances should be directed to the Comptroller's Treasury Accounting Division at **TA.concentration@cpa.texas.gov**.

BidTX and Open Time Deposits:

- Each State Depository holding BidTX or open time deposits **must** furnish the Comptroller quarterly statements that provide principal balances, interest rates, and maturity dates of all BidTX or open time deposits with that State Depository. If system-generated statements cannot be produced by the State Depository, the required information may be provided on the State Depository's letterhead with two officers' signatures.
- **Failure to comply with this reporting requirement may result in revocation of approval to participate in this program.**
- All BidTX and open time deposit quarterly statements should be either emailed to: **TTSTC.Fin.InvAcct@ttstc.texas.gov** or mailed to:

**Texas Treasury Safekeeping Trust Company
Investment Accounting Division
208 E. 10th St., 4th Floor
Austin, Texas 78701**

Deposit Insurance Coverage Change:

- Each State Depository must provide the Comptroller at least 60 days advance notice of a change in its Deposit Insurance coverage including the new coverage amount and effective date of the change.

Depository Collateral Explanation

- Depository collateral is required to protect any and all state deposits that exceed the Financial Institution's Deposit Insurance amount while approved as a State Depository.
- **The State Depository must pledge sufficient collateral before receiving state funds. Sufficient collateral must be maintained at all times while state funds are on deposit.**
- "Collateral" consists of pledged eligible securities described in Texas Government Code, Section 404.0221.
 1. State Depositories (or successor institutions) place eligible securities in "trust" with the Comptroller or an independent third-party Custodian. Under Texas Government Code, Section 404.031 a Custodian may be:
 - a Federal Reserve Bank;
 - a Federal Home Loan Bank;
 - the Texas Treasury Safekeeping Trust Company;
 - a State Depository bank that has been designated as a Custodian by the Comptroller; or
 - a Financial Institution, authorized to exercise fiduciary powers, that has been designated as a Custodian by the Comptroller.
 2. The Custodian may act alone or through a "permitted institution," as defined by Texas Government Code, Section 404.031(g). **Collateral receipts must note the location of securities, if held at a permitted institution.**
 3. The Custodian will guarantee the safety and negotiability of all pledged collateral and will hold such collateral pending instructions from the Comptroller. ***Securities cannot be safekept by a Custodian that is a member of the same holding company as the State Depository.***
 4. Currently, the Comptroller requires 105 percent collateralization of all State deposits in excess of Deposit Insurance coverage. Collateralization of 125 percent is required for any securities pledged to the state that have a declining principal balance.
- Valuation of collateral is based on current market quotations.
 - when new or incoming pledges are received, they are valued based upon the previous day's closing market quotations.
 - all securities are revalued daily.

Eligible Collateral

The eligibility of collateral to be pledged with the Comptroller to secure state deposits is generally governed by Texas Government Code Section 404.0221. Subsection (b) lists three general categories of eligible collateral, while Subsection (f) allows the Comptroller to reject collateral tendered by a State Depository without assigning a reason for the rejection; the Comptroller's action is final and not subject to review.

Only the following securities with fixed, stated rates are deemed acceptable by the Comptroller to pledge as collateral to secure the deposit of state funds:

- United States Treasury obligations;
- Federal National Mortgage Association discount notes and primary debt instruments or debentures and only those mortgage-backed securities with a remaining maturity of 15 years or less;
- Federal Home Loan Bank system consolidated bonds and discount notes issued in book-entry form and Federal Home Loan Bank Letters of Credit;
- Federal Farm Credit Banks consolidated systemwide bonds and discount notes issued in book-entry form;
- Government National Mortgage Association securities;
- Federal Home Loan Mortgage Corporation discount notes and primary debt instruments or debentures and mortgage-backed securities with a remaining maturity of 15 years or less;
- State of Texas bonds issued by the various state agencies and four-year educational institutions of the State of Texas; and
- municipal bonds issued by political subdivisions of the State of Texas with a rating of "A" (or its equivalent) or higher by a nationally recognized statistical rating organization such as Fitch Ratings, Moody's Investors Service, Inc., Standard & Poor's, or Kroll Bond Rating Agency.

The following securities are not deemed acceptable by the Comptroller to pledge as collateral to secure the deposit of state funds:

- Adjustable Rate Mortgages (ARMs);
- Collateralized Mortgage Obligations (CMOs);
- Step-Up's;
- variable rate securities; and
- securities not found on common pricing systems.

Procedures for Pledging Collateral

RESPONSIBLE ENTITY	ACTION
1. State Depository	To pledge collateral a “Deposit of Securities Application” (deposit form) is available online at: www.comptroller.texas.gov/forms/00-132.pdf
2. State Depository	Complete the deposit form according to the instructions.
3. State Depository	Submit via email to: collateral@cpa.texas.gov .
4. Comptroller	Review, verify and approve the forms or notify the State Depository of reason forms cannot be processed.
5. Comptroller	Email the deposit form(s) to the Custodian.
6. Custodian	Verify and sign the deposit form(s).
7. Custodian	Issue a Safekeeping Trust Receipt.
8. Custodian	Email the deposit form(s), along with a copy of the safekeeping trust receipt(s), to collateral@cpa.texas.gov . The Custodian will keep one copy of the deposit form(s) and send a completed copy to the State Depository for its records.

NOTE: *It is the responsibility of the State Depository to pledge sufficient collateral before receiving state funds. Sufficient collateral must be maintained at all times while state funds are on deposit.*

Procedures for Releasing Collateral

RESPONSIBLE ENTITY	ACTION
1. State Depository	To release pledged collateral a “Withdrawal of Securities Application” (withdrawal form) is available online at: www.comptroller.texas.gov/forms/00-131.pdf
2. State Depository	Complete the withdrawal form according to the instructions.
3. State Depository	Submit via email to: collateral@cpa.texas.gov .
4. Comptroller	Review, verify and approve the forms or notify the State Depository of reason withdrawal cannot be processed.
5. Comptroller	Email the withdrawal form(s) to the Custodian.
6. Custodian	Verify and sign the withdrawal form(s).
7. Custodian	Email a copy of the withdrawal form(s) to the Comptroller. The Custodian will keep one copy and send a completed copy to the State Depository for its records.

Computation and Collection of Interest on BidTX, Open Time and Linked Deposits

BidTX Deposits:

- The floor rate for the BidTX auction is based on prevailing market conditions, not to fall below the yield on the comparable U.S. Treasury maturity.
- The rate charged is each State Depository's winning bid from the most recent BidTX auction.
- Interest accrues from settlement day through, and including, the day before maturity. Interest does not accrue on the maturity date.
- State Depositories that receive deposits through the BidTX auction **will not** pay interest monthly. Principal and interest will be payable at maturity.
- Upon the maturity of BidTX deposits, the State Depository will send a wire including principal and interest to the Comptroller. Prior to maturity the Comptroller, through the Texas Treasury Safekeeping Trust Company, will email wiring instructions in a maturity notice to the State Depository. The State Depository must follow the wiring instructions explicitly.
- The wiring instructions are:
 - Bank Name: TX COMPT AUSTIN
 - ABA#: 114900164
 - Account#: 440474005
 - Reference: BidTX CPID #
- Interest due to the Comptroller is based on the average daily balance and the rate in effect for the deposit.
- Interest is computed on a 365-day year.
- Additional information can be found at: www.bidtx.com.

Open Time Deposits:

- The interest rate for open time deposits (direct placements) is the weighted average rate established from the most recent monthly BidTX auction.
- Interest accrues from settlement day through, and including, the day before maturity. Interest does not accrue on the maturity date.
- Interest due to the Comptroller is based on the average daily balance and the rate in effect for the deposit.
- Interest is computed on a 365-day year.

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- Upon maturity, the State Depository will send a wire including principal and interest to the Comptroller. Prior to maturity the Comptroller, through the Texas Treasury Safekeeping Trust Company, will email wiring instructions in a maturity notice to the State Depository. The State Depository must follow the wiring instructions explicitly.
 - The wiring instructions are:
 - Bank Name: TX COMPT AUSTIN
 - ABA#: 114900164
 - Account#: 440474005
 - Reference: Open Time CPID #

Linked Deposits:

- The interest rate on Linked Deposits is the current market rate of a U.S. Treasury bill or note of comparable maturity minus two hundred basis points (2 percent), with a minimum rate of 1.5 percent.
- The Comptroller will recalculate the interest rate at the end of each fiscal biennium.
- Interest accrues from settlement day through, and including, the day before maturity. Interest does not accrue on the maturity date.
- Interest due to the Comptroller is based on the average daily balance and the rate in effect for the deposit.
- Interest is computed on a 365-day year.
- Upon maturity, the State Depository will send a wire including principal and interest to the Comptroller. Prior to maturity the Comptroller, through the Texas Treasury Safekeeping Trust Company, will email wiring instructions in a maturity notice to the State Depository. The State Depository must follow the wiring instructions explicitly.
- When making principal paydowns, a wire including principal and interest (all accrued interest) will be sent to the Comptroller.
- The Comptroller will collect interest at the end of each state fiscal biennium by wire transfer.
- A confirmation email with instructions for payment of interest due will be sent by the Comptroller through the Texas Treasury Safekeeping Trust Company.
- The wiring instructions are:
 - Bank Name: TX COMPT AUSTIN
 - ABA#: 114900164
 - Account#: 440474005
 - Reference: Linked Deposit CPID #

Frequently Asked Questions

Q What is meant by time deposits?

- A**
- Time deposits include three categories of deposits: open time deposits, Linked Deposits and BidTX deposits. Open time deposits are direct placements under Section II of this application. A State Depository may request an open time deposit by contacting the Comptroller through the Investment Accounting Division of the Texas Treasury Safekeeping Trust Company at ttstc.fin.invacct@ttstc.texas.gov. If a State Depository has BidTX deposits, it is not eligible to receive open time deposits. The interest rate for an open time deposit (direct placement) is based on the weighted average rate of the most recent BidTX auction and the maturity date is set by the Comptroller. Interest is collected at maturity by wire transfer. At maturity, the State Depository shall pay principal and interest to the Comptroller by wire transfer.
 - Linked Deposits are time deposits that are placed under two Linked Deposit programs the Comptroller administers jointly with the Texas Department of Agriculture and the Governor's Economic Development and Tourism Department to encourage economic diversification. Interest rates are less than a standard time deposit as an incentive for depositories to make loans under these programs. Interest is collected at maturity by wire transfer. At maturity, the State Depository shall pay principal and interest to the Comptroller by wire transfer.
 - BidTX deposits are time deposits that are bid on by approved state depositories at a monthly auction. Winning bidders pay the interest rate on the bids awarded. At maturity, the State Depository shall pay principal and interest to the Comptroller by wire transfer. (See the following five questions and answers for additional BidTX information.)

Q Who determines whether bidders are eligible to participate in BidTX auctions?

- A** The Comptroller approves all BidTX bidders by following the criteria in the State Depository Handbook and in state statute.

Q Do bidders need special software or equipment to use BidTX?

- A** No. The BidTX website can be accessed using any competent Internet service provider and any popular Web browser.

Q What steps must bidders take to participate in BidTX auctions?

- A** To participate in BidTX auctions, bidders must:
- be an approved State Depository.
 - complete the registration form at: www.bidtx.com.
 - request admission to bid in specific BidTX auctions by clicking the "Request Admission" button on the "Selections Page."
 - answer all questions on "Acknowledgement Page" affirmatively.
 - abide by all terms and conditions specified in the BidTX Guidelines on the BidTX Investment Auction website: www.bidtx.com
 - winning bidders must provide wiring instructions to the FED routing number submitted on the State Depository application or to a correspondent bank that is an approved State Depository.

Q Are signature cards required for BidTX or Open Time accounts?

A No.

Q Where can I find more information about BidTX auctions?

A Additional information can be found at www.bidtx.com.

Q What is meant by Deposit Concentration accounts?

- A**
- Deposit Concentration accounts are demand accounts set up by the Comptroller so state agencies can expedite their deposits to comply with Texas Government Code Sec. 404.094.
 - Deposit Concentration accounts are set up to be used primarily by state agency field offices, so deposits can be made remotely and then swept by the Comptroller electronically, usually the next day.

Q Are signature cards required to set up Comptroller accounts?

A No. Signature authority is addressed in the Terms and Conditions of the State Depository Application.

Q What happens to time deposits at a State Depository that later becomes a branch of another State Depository?

A Time deposits at a branch will remain at the branch until maturity. At maturity, the Comptroller will contact the institution about transferring the time deposit(s) to the parent institution, if sufficient collateral has been pledged and the State Depository's approval limit has not been exceeded.

Q What amount of collateralization is required to cover State Deposits held by an approved State Depository?

A Currently, the Comptroller requires 105 percent collateralization for all funds at an institution that exceed federal deposit insurance coverage. Collateralization of 125 percent is required for any securities pledged to the state that have a declining principal balance.

Q Once deposit and/or withdrawal forms for pledged collateral securities are submitted to the Comptroller, what is the processing time?

A The Comptroller processes the forms and forwards them to the designated Custodian, normally on the same day they are received. The Comptroller will contact the State Depository if the forms are incomplete or have incorrect data. A deposit is not considered completed until the Comptroller receives a fully executed safekeeping trust receipt from the Custodian, usually a one to two-day process.

Q May securities be pledged by a State Depository and held in safekeeping by more than one Custodian?

A Yes, but a State Depository must submit a separate set of pledge forms to the Comptroller for each Custodian. For faster processing, consider using only one Custodian.

Q What is the Comptroller's Federal taxpayer I.D. number?

A Our taxpayer I.D. number is **746000089**.

Q Are Custodians permitted to release pledged securities upon verbal or telephone authorization by the Comptroller?

A No. In accordance with the terms of safekeeping trust receipts, Custodians will exchange, substitute or release securities from custody only on receipt of completed, written and signed withdrawal forms.

Q When withdrawal forms are submitted to obtain the release of pledged collateral securities, is it necessary to furnish the safekeeping trust receipt number of the securities to be released?

A Yes. The Comptroller monitors pledged securities by using a unique identifier, which is the safekeeping trust receipt number assigned by the Custodian.

Q Is the CUSIP (Committee on Uniform Security Identification Procedures) number, a 9-digit alphanumeric security identifier assigned to all North American securities for the purposes of facilitating clearing and settlement of trades, necessary on deposit and/or withdrawal forms for pledged collateral securities?

A Yes. The Comptroller uses CUSIP numbers to verify descriptions and price of pledged collateral.

Q What is the procedure for moving pledged securities from one Custodian to another?

A The State Depository should submit both withdrawal and deposit forms to the Comptroller. The withdrawal forms (indicating the Custodian to which the securities are to be released) will describe the same securities as those listed on the deposit form. After the transaction is approved by the Comptroller, the forms will be sent to the appropriate Custodians with necessary instructions.

Q How does the Comptroller determine which securities are acceptable as collateral for state deposits?

A Section 404.0221 of the Texas Government Code states what is eligible to be pledged as collateral for state deposits.

The Comptroller then determines what will be accepted as collateral. The Comptroller has final authority to determine the acceptance of any collateral pledged as security.

Q What happens if the market value of pledged securities declines, resulting in undercollateralization of the State's deposits?

A The State Depository is contacted by the Comptroller and is asked to pledge additional securities immediately or to return deposits in the amount needed to bring the State Depository back within prescribed collateral limits.

Q May the State Depository Application be completed and executed electronically?

A Yes. The application can be completed by using DocuSign. Please visit the State Depository website at <https://comptroller.texas.gov/programs/systems/depository-application.php> to access the appropriate electronic application.

Comptroller Contacts

All phone numbers can also be accessed by dialing 1-800-531-5441 and then the extension of the person you are calling (the last five digits of the phone number).

State Depository Applications/Agreements/Change of President, Bank Name or Address

Main number Cash and Securities Management 512-463-5905
Email state.depository@cpa.texas.gov

Request for Time Deposits

Main number Texas Treasury Safekeeping Trust Company 512-463-4300
Fax number 512-463-5442
Email ttstc.fin.invacct@ttstc.texas.gov

Account Balance Inquiry

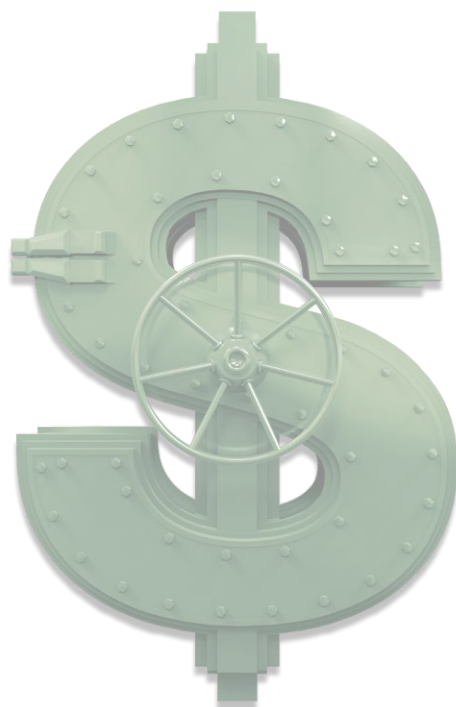
Main number Treasury Accounting 512-463-4078
Email TA.Concentration@cpa.texas.gov

Pledge and Release of Collateral

Main number Cash and Securities Management 512-463-5902
Main number Cash and Securities Management 512-305-9761
Email collateral@cpa.texas.gov

Deposit Concentration Programs

Main number Cash and Securities Management 512-475-2459
Email treasury.deposit.concentration@cpa.texas.gov



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An electronic version of this report
may be found online at

[https://comptroller.texas.gov/programs/
systems/depository-application.php](https://comptroller.texas.gov/programs/systems/depository-application.php)