

20 NCAC 07 .0105 EXERCISING THE POOLING METHOD

(a) Unless and until the requirements of this Rule are met, the depository is considered to be under the Dedicated Method.

(b) If the depository selects the Pooling Method, it shall:

- (1) Submit to the State Treasurer a letter of intent, indicating the effective date it desires to convert to the Pooling Method, which shall not be prior to the date the requirements of this Rule are met.
- (2) Submit to the State Treasurer an executed Form COLL-93A, "Security Agreement with Resolution," required to comply with Rule .0305 of this Chapter.
- (3) Submit to the State Treasurer all executed escrow agreements required to comply with Rule .0303(b) of this Chapter.
- (4) Submit to the State Treasurer Form COLL-99, "Selected Financial Data Report," referred to in Rule .0501(c) of this Chapter.
- (5) Submit to the State Treasurer Form COLL-97, "Annual Report of Public Deposit Accounts by Bank," referred to in Rule .0502(c) of this Chapter; however, the report shall be for the period immediately preceding the date of the election of the Pooling Method.
- (6) Submit to each public depositor Form COLL-92, "Election of Pooling Method by Bank," notifying them that it has opted to pool the collateral of all public deposits through the State Treasurer; and provide the State Treasurer a duplicate copy of all "Election of Pooling Method by Bank" forms.

(c) When the Pooling Method is chosen, the depository shall pledge the required amount of collateral with the escrow agent in one of two ways:

- (1) The depository shall request the public depositor to sign a letter authorizing the escrow agent to release any collateral securities pledged to the participating unit to be simultaneously repledged to the State Treasurer, with the effective date of the release not being prior to the effective date indicated on the Form COLL-92. The recognized effective date shall be the date on which the escrow agent records the pledge of the required collateral securities to the State Treasurer.
- (2) The depository shall first pledge the required amount of collateral securities with the escrow agent to the account of the State Treasurer, and then request the public depositor to sign a letter authorizing the escrow agent to release any collateral securities pledged to the participating unit without substitution. The recognized effective date shall be the effective date indicated on the Form COLL-92.

(d) The public depositor shall promptly sign any authorization letter referred to in Paragraph (c) of this Rule.

*History Note: Authority G.S. 115C-444(b); 147-79; 159-31(b);
 Eff. August 1, 1980;
 Readopted with Change Eff. February 1, 1982;
 Amended Eff. April 1, 1994; September 1, 1988;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 5, 2016;
 Amended November 1, 2020.*