

20 NCAC 07 .0202 AMOUNT OF COLLATERAL REQUIRED TO BE PLEDGED

(a) Under the Dedicated Method, each depository, which is required to pledge collateral to secure the deposit accounts of a public depositor, shall maintain collateral with an escrow agent equal to or in excess of 100 percent of the total amount of all deposit accounts to the credit of the public depositor less the allowable credit for deposit insurance.

(b) Under the Pooling Method, the amount of required collateral shall be the sum of the amounts required to be collateralized for all public depositors in the depository calculated as follows:

- (1) Demand Deposits. 100 percent of the average daily balance for the calendar year to date, or 100 percent of the average daily balance for the immediate preceding three calendar month period, or 100 percent of the average daily balance for the current month to date, or such greater amount as shall be given prior approval by the State Treasurer, less the applicable deposit insurance for each public depositor. Calculations for any period other than the "current month to date" method may be based on the period ending the last day of the prior month. At the option of the State Treasurer, the Treasurer may require calculations to be in accordance with the requirements of the Dedicated Method, if it is deemed that the averaging method for a particular depository does not accurately reflect the amount of deposits to be secured.
- (2) Time Deposits. 100 percent of the actual current balance, less the applicable deposit insurance for each public depositor.

(c) The maximum amounts of deposit insurance which may be applied to a public depositor shall be one hundred thousand dollars (\$100,000) on demand deposits and a separate one hundred thousand dollars (\$100,000) on time deposits ; however, the deposits in the name of an individual school treasurer shall be allowed one hundred thousand dollars (\$100,000) total insurance on both time and demand deposits combined. An unused amount of insurance may not be applied to another public depositor or to another type of deposit.

(d) All eligible securities pledged shall be valued at current market.

(e) The public depositor in the case of the Dedicated Method and the State Treasurer in the case of the Pooling Method may require the amount of collateral to be pledged by the depository to be 10 percent greater than the amount required under this Rule, if the market value of pledged securities is below the amount reasonably required to insure public deposits against the risks apparent at the time of the request.

*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; November 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 5,
2016.*