

**ADOPT Ban 1450; previously effective 6-24-08 (Document 9187) and expired 12-21-08, to read as follows:**

PART Ban 1450 COLLATERALIZATION OF PUBLIC DEPOSITS

Statutory Authority: RSA 386:57, II

Ban 1450.01 Purpose. The purpose of this rule is to identify and classify by risk those securities that shall be appropriate for the collateralization of public funds.

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Ban 1450.02 Definitions.

(a) "Public funds" means moneys belonging to or in an account of any public unit.

(b) "Public unit" means the state of New Hampshire or any county, city, town, district, school district or other political subdivision of the state of New Hampshire.

Ban 1450.03 Amount of Collateralization.

(a) ~~If a public unit exercises the option to have its public funds secured by the pledge of securities, the value of securities pledged as collateral shall be equal to or in excess of the amount of public funds, less any portion thereof that is covered by federal deposit insurance.~~

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(b) For purposes of Ban 1450, securities shall be valued at market value.

Ban 1450.04 Public Obligations.

(a) All public obligations described in RSA 387:6 shall be appropriate and acceptable for the collateralization of public funds.

(b) Notwithstanding Ban 1450.04(a), for purposes of RSA 387:6, II, the following obligations shall be appropriate and acceptable for the collateralization of public funds:

(1) Obligations of the following federal agencies, federal corporations and other entities:

- a. Export-Import Bank of the United States;
- b. General Services Administration;
- c. Maritime Administration of the U.S. Department of Transportation;
- d. Small Business Administration; and
- e. The following obligations of the Department of Housing and Urban Development, its government corporations, entities and programs:
  1. Federal Housing Administration;

Ban 1450

2. Government National Mortgage Association (Ginnie Mae)
3. Community development; and
4. Public housing notes and bonds.

(2) Obligations of the following federal government-sponsored enterprises shall qualify as acceptable collateral for public funds:

a. Federal Farm Credit Banks, including:

1. Banks for Cooperatives;
2. Federal Intermediate Credit Banks;
3. Federal Land Banks.

b. Federal Home Loan Banks, including irrevocable standby letters of credit issued by a Federal Home Loan Bank possessing the highest rating issued by at least one nationally recognized statistical rating agency, e.g. Moody's Investors Service, Inc. or Standard & Poor's Corporation;

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- c. Federal Home Loan Mortgage Corporation (Freddie Mac);
- d. Federal National Mortgage Association (Fannie Mae); and
- e. Tennessee Valley Authority.

Ban 1450.05 Corporate Securities.

(a) All bonds and notes authorized as legal investments for savings banks under RSA 387:6-a, I shall qualify as appropriate and acceptable collateral for public funds.

(b) Notwithstanding the provisions of RSA 387:6-a, I, convertible bonds not rated among the 3 highest ratings of one or more rating services, as defined in RSA 387:1, XVI, shall not qualify as acceptable collateral for public funds.

Ban 1450.06 Classification by Risk. All collateral enumerated in Ban 1450.04 and Ban 1450.05 shall be identically classified as low risk collateral for public funds on deposit.

Appendix

Rule	Specific State or Federal Statutes or Regulations the Rule Implements
Ban 1450	RSA 386:57, II; RSA 386:1-b, V

Ban 1450