



Protecting Public
Deposits – Single
Bank Collateral Pool

Pledging Requirements

■ GENERAL

- *Financial institutions (banks and savings and loans) holding public deposits must pledge collateral for deposits in excess of FDIC insured amounts (\$250,000)*

■ CURRENT PLEDGING OPTIONS (LB 622-Effective July 1, 2020)

- *Dedicated method*
 - Collateral pledged by financial institution directly to each public depositor
- *Single bank collateral pool method*
 - Individual financial institutions pledge collateral to Administrator of the Single Bank Collateral Pool. (Nebraska Bankers Insurance and Services Company / NBISCO)

Amount of Collateral

- Dedicated method
 - *102 percent of amount of public deposits less FDIC insurance for each public depositor*
- Single bank collateral pool method
 - *102 percent of aggregate public deposits less FDIC insurance*

Acceptable Collateral

§77-2387(14)

- (a) Bonds or obligations fully and unconditionally guaranteed both as to principal and interest by the United States Government;
- (b) United States Government notes, certificates of indebtedness, or treasury bills of any issue;
- (c) United States Government bonds;
- (d) United States Government guaranteed bonds or notes;
- (e) Bonds or notes of United States Government agencies;
- (f) Bonds of any state or political subdivision which are fully defeased as to principal and interest by any combination of bonds or notes authorized in subdivision (c), (d), or (e) of this subdivision;
- (g) Bonds or obligations, including mortgage-backed securities and collateralized mortgage obligations, issued by or backed by collateral one hundred percent guaranteed by the Federal Home Loan Mortgage Corporation, the Federal Farm Credit System, a Federal Home Loan Bank, or the Federal National Mortgage Association;
- (h) Repurchase agreements the subject securities of which are any of the securities described in subdivisions (a) through (g) of this subdivision;

Acceptable Collateral §77-2387(14)(pg. 2)

- (i) Securities issued under the authority of the Federal Farm Loan Act;
- (j) Loan participations which carry the guarantee of the Commodity Credit Corporation, an instrumentality of the United States Department of Agriculture;
- (k) Guaranty agreements of the Small Business Administration of the United States Government;
- (l) Bonds or obligations of any county, city, village, metropolitan utilities district, public power and irrigation district, sewer district, fire protection district, rural water district, or school district in this state which have been issued as required by law;
- (m) Bonds of the State of Nebraska or of any other state which are purchased by the Board of Educational Lands and Funds of this state for investment in the permanent school fund or which are purchased by the state investment officer of this state for investment in the permanent school fund;
- (n) Bonds or obligations of another state, or a political subdivision of another state, which are rated within the two highest classifications by at least one of the standard rating services;
- (o) Warrants of the State of Nebraska;
- (p) Warrants of any county, city, village, local hospital district, or school district in this state;
- (q) Irrevocable, nontransferable, unconditional standby letters of credit issued by a Federal Home Loan Bank; and
- (r) Certificates of deposit fully insured or guaranteed by the Federal Deposit Insurance Corporation that are issued to a bank, capital stock financial institution, or qualifying mutual financial institution furnishing securities pursuant to the Public Funds Deposit Security Act.

Nebraska Single Bank Pooled Collateral Program (SBPC)

Nebraska State statute requires Nebraska banks to pledge approved collateral for public entity deposits in excess of FDIC insured limits. The Nebraska Department of Banking and Finance has appointed the Nebraska Bankers Insurance and Services Company (NBISCO), the for-profit subsidiary of the Nebraska Bankers Association, to administer the Nebraska Single-Bank Collateral Pool Program pursuant to Neb.Rev.Stat. Section 77-2398(2) (b) (ii).

This program allows participating banks to aggregate their total public deposits and to pledge collateral against its entire portfolio of public deposits rather than pledging per entity. As the program administrator, NBISCO collects, confirms and reports bank compliance with mandated pledging requirement on a monthly basis. Collateral is pledged to NBISCO. In the event of a bank closure, the pledged collateral would be assigned to NDBF for liquidation and payment to impacted political subdivisions.

Enroll

[Instructions and Information](#)

[Frequently Asked Questions \(FAQ\)](#)

Step One: [Enrollment form and program fees](#)

Step Two: [Security Agreement](#)

Step Three: [Custodial Agreement](#)

Step Four: [Bank Collateral Report](#)

Reports

[Current Month Collateral Report](#)

[Historical Collateral Reports](#)

[Public Entities with Covered Deposits](#)

[Participating NE Financial Institutions](#)

Submit Monthly Reporting

Financial Institution: [Submit your monthly collateral reporting form](#)

Qualified Trustees: [Submit your monthly collateral reporting form](#)

Documents

- [Securities Deposit and Release Collateral Form](#)
- [Educational Program Handout](#)

Related links

- [Nebraska Bankers Insurance Services Company \(NBISCO\)](#)
- [Nebraska Department of Banking and Finance](#)
- [Public Funds Deposit Security Act](#)

Governmental Units

- [Disclosure Circular](#)
- [Governmental Units consent to access reports on administrator website](#)
- [Informative PowerPoint](#)
- [Informative handout](#)

How to find Disclosure Circular on website

Documents



- [Disclosure Circular](#)
- [Securities Deposit and Release Collateral Form](#)
- Instructions to Governmental Units
- [Educational Program Handout](#)




SINGLE BANK COLLATERAL POOL DISCLOSURE CIRCULAR

Neb.Rev.Stat. § 77-2386 et. seq. requires banks to collateralize public funds and *Neb.Rev.Stat. § 77-2398* allows banks to collateralize public funds using either a dedicated or pooled method. Administration of the pooled method ("Pooled Method") is delegated to the Director of the Department of Banking and Finance ("Department") who is authorized to appoint an administrator to carry out its rights and responsibilities in respect to the Pooled Method for the state of Nebraska. The Nebraska Bankers Insurance and Services Company (NBISCO), a wholly-owned subsidiary of the Nebraska Bankers Association, has been appointed and has entered into a contract with the Department to administer the Nebraska Single Bank Collateral Pool ("Pooled Method Administrator"). NBISCO receives monthly reports from banks and qualified trustees to monitor the collateralization of deposits and assesses fees to participating banks for administering the Pooled Method. NBISCO receives no compensation from the Department or the state. All Program Administration fees are paid by participating banks. NBISCO is currently the only approved Pooled Method Administrator.

How to Consent to access reports on Administrator's website form

Documents

- [Disclosure Circular](#)
- [Securities Deposit and Release Collateral Form](#)
-  [Governmental Units consent to access reports on administrator website](#)
- [Educational Program Handout](#)

CONSENT TO ACCESS REPORTS ON ADMINISTRATOR'S WEBSITE

Nebraska Single Bank Collateral Pool

All Governmental Units using the Single Bank Pooled Method are required to review the Single Bank Pooled Method Disclosure Circular which is attached and is available on the Nebraska Single Bank Pooled Collateral Website: www.nebankers.org/nepooledcollateral.html

Please complete the acknowledgment form below and return it to

Misty Stoner, NBISCO Financial Program Administrator,
(402) 904-7060, nepooledcollateral@nebankers.org.

Thank you for your cooperation.

Name and Tax ID # of Governmental Unit

Tax ID # of Governmental Unit

E-mail Address for Governmental Unit

Check only one below:

The undersigned Governmental Unit agrees to receive reports issued by the Single Bank Collateral Pool Administrator by accessing the reports on the Administrator's website.

The undersigned Governmental Unit does not agree to receive reports issued by the Single Bank Collateral Pool Administrator by accessing the reports on the Administrator's website.

I acknowledge that I have read and understand the Department of Banking and Finance's Single Bank Pooled Method Disclosure Circular

_____ Signature	_____ Title
_____ Printed Name	_____ Date

Enrollment form

Enroll

[Instructions and Information](#)

[Frequently Asked Questions \(FAQ\)](#)



Step One: [Enrollment form and program fees](#)

Step Two: [Security Agreement](#)

Step Three: [Custodial Agreement](#)

Step Four: [Bank Collateral Report](#)

BANK ELECTION FORM

Instructions for Banks Electing to Utilize the Single Bank Pooled Method for Collateralization of Public Funds through the **Nebraska Single Bank Collateral Pool Program**

Any bank, capital stock financial institution, or qualifying mutual financial institution (Bank) electing to secure the deposit of public money or public funds through use of the single bank pooled method must notify the administrator in writing of such election. Please complete the election form below in satisfaction of this requirement.

Participation in the Nebraska Single Bank Collateral Pool is contingent upon the undersigned delivering the signed election form to the Nebraska Bankers Insurance and Services Company (NBISCO) at nepooledcollateral.org.

If you have any questions, please contact Misty Stoner, NBISCO Financial Program Administrator, (402) 474-1555.

Thank you for your cooperation.

SINGLE BANK COLLATERAL POOL ELECTION FORM

On behalf of _____, I hereby confirm the election by such bank to participate in the Nebraska Single Bank Collateral Pool.

To be finalized after submission through Adobe Sign
Signature

Title

Printed Name

Date

Effective Date of Election/Agreement

Bank Address: _____

Bank City, State, Zip: _____

Bank Routing Number: _____ FDIC Number: _____

Number of Nebraska Public Depositors: _____

List of Qualified Trustees:

- _____
- _____
- _____

Single Bank Collateral Pool

- Individual financial institutions pledge collateral to NBISCO to secure public deposits.
 - 102 percent of aggregate public deposits less FDIC insurance
- Monthly reporting by financial institutions to NBISCO

Where to find monthly reporting information on the website

Submit Monthly Reporting



Financial Institution: [Submit your monthly collateral reporting form](#)

Qualified Trustees: [Submit your monthly collateral reporting form](#)

Monthly Bank Deposit Report

Bank Name:				Period Ending:		Number of Depositors:	
Address							
Street:							
City, State, Zip:							

Month End Deposits	Month End FDIC Insurance	Month End Total Deposits Net of FDIC Insurance *	102%	Month end Market Value of Collateral	-	Month End in Compliance?	Action to Restore Compliance
		-	-		-	In compliance	
<p>NOTE: If there are any changes in Governmental Units or Securities please complete coordinating form</p>							

Submitted By:		(Printed Name)		Email Address:		Phone Number:	
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* All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000.

Single Bank Collateral Pool

Financial institution monthly in compliance reports posted on the NBISCO's website for access by public depositors (political subdivisions and state agencies)

How to determine if banks are in compliance?

Reports



Current Month Collateral Report

Historical Collateral Reports

Public Entities with Covered Deposits

Participating NE Financial Institutions

BANK PARTICIPATION/COLLATERAL REPORT (demonstration only)

For Month Ending _____

31-Jul-20



FDIC #	BANK ROUTING NUMBER	BANK NAME	CITY	MEETS 102% STATUTORY PLEDGE REQUIREMENT	CORRECTION ORDERED
12345	5678910	Bank of Crisis	Hazard		N
23456	789101	State Bank of Overload	Prospect		Y
34567	8910111	First State Bank of COVID-19	Mask		N
45678	9101112	No Mask Security Bank	Strings		N

Where to go to locate Securities Deposit and Release Collateral Form

Documents

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- [Disclosure Circular](#)
 - [Securities Deposit and Release Collateral Form](#)
 - Instructions to Governmental Units
 - [Educational Program Handout](#)

Public Depositors - Things To Do

- Transition of securities from dedicated method to Single Bank Pooled Collateral method
- Review Disclosure Circular on NBISCO website
- Consent to receive monthly bank report by accessing NBSICO website

www.nebankers.org/nepooledcollateral.html

Public entities that maintain deposits in a Nebraska bank which are secured through the SBPC, will experience:

- **A program that operates successfully in other states:** Colorado, South Dakota and other states have successfully implemented a pooled collateral program
- **Increased security:** Public entities, participating banks and NBISCO routinely review deposit and collateral levels.
- **Reduced administrative time and expense:** Questions about proper collateral coverage are addressed to NBISCO rather than each individual bank.

Public entities that maintain deposits in a Nebraska bank which are secured through the SBPC, will experience:

- **Centralized reporting:** Public entities and their audit firms can easily access reports monthly and annually.
- **Significant time savings:** NBISCO assumes responsibility for approving the deposit/withdrawal of pooled collateral pledged to public deposits.
- **Professional program administration:** NBISCO has been in existence since 1981. The NBISCO team responsible of administering the SBPC includes two attorneys, two inactive registrant certified public accountants, the former Director of the Department of Economic Development and professional account representatives.



Questions and Answers

Misty Stoner, NBISCO
Financial Program Administrator
402-904-7060 (NBA direct)
NEPooledCollateral@nebankers.org
www.nebankers.org/nepooledcollateral.html