



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.

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

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](#)

INSTRUCTIONS AND INFORMATION

ENROLLMENT STEPS

Go to www.nebankers.org/nepooledcollateral.html

- Step 1:** Complete the *Enrollment Form*, submit by clicking the “Click Here to Submit” button located on the last page of the document. **A subsequent email will be sent via Adobe Sign to obtain a digital signature. Remit** the Enrollment Fee of \$500/\$1,000 (checks made payable to: NBISCO) or via credit card on the website (www.nebankers.org/nepooledcollateral.html) or complete ACH information on the Enrollment form.
- Step 2:** The *Security Agreement*, will be sent via Adobe Sign to along with Enrollment form to complete.
- Step 3:** The *Custodial Agreement*, will be sent via Adobe Sign to complete for each Qualified Trustee.
- Step 4:** Complete the *Bank Deposit/Collateral Report*, submit by clicking the “Click Here to Submit” button located on the last page of the document. **NOTE: This document should contain the prior month-end totals.**
- Step 5:** Ensure all forms have been signed electronically by the appropriate officials and have been submitted to NBISCO.
- Step 6:** Contact public depositors to promote the benefits of the program, make arrangements to switch from dedicated method to Single Bank Pooled Collateral method, encourage to complete consent to receive monthly bank report by accessing the website.
- Step 7:** Ongoing: Complete the *Monthly Bank Deposit Report* no later than the 10th of each month. Banks enrolling on July 1, 2020, will be required to submit their June 30, 2020, public deposit aggregate month-end totals on the Monthly Bank Deposit Report.

www.nebankers.org/nepooledcollateral.html

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: _____

Page two of Enrollment Form: – EMPLOYEE ACCESS AND QUALIFIED TRUSTEE FORM

Qualified Trustee Information
Name
Attn
Address
Email
Qualified Trustee Information
Name
Attn
Address
Email
Qualified Trustee Information
Name
Attn
Address
Email

Employee Information	
Last Name	First Name
Title	Email
<input type="checkbox"/> New /Update	<input type="checkbox"/> Remove
Employee Information	
Last Name	First Name
Title	Email
<input type="checkbox"/> New /Update	<input type="checkbox"/> Remove
Employee Information	
Last Name	First Name
Title	Email
<input type="checkbox"/> New /Update	<input type="checkbox"/> Remove

Page three of Enrollment Form:- PROGRAM FEES

PROGRAM FEES APPROVED BY NEBRASKA DEPARTMENT OF BANKING AND FINANCE

A. Initial Enrollment Fee if enrolling July 1st. Please see table below to select which fee option you will be paying.

1. \$500 per bank with less than 20 Governmental Unit depositors
2. \$1,000 per bank with 20 or more Governmental Unit depositors

B. Annual Maintenance Fee (After 1st year)

1. \$500 per bank with less than 20 Governmental Unit depositors
2. \$1,000 per bank with 20 or more Governmental Unit depositors

C. Monthly Participation Fee \$10 per month for each Governmental Unit account.

D. Penalty Fee \$250 per occurrence for reported under collateralization events which are not corrected within no more than 10 business days

To pay via credit card please check the box to be invoiced

To pay via ACH please complete the bottom portion of this document and submit to the Administrator.

A. Name on Bank Account: _____

B. Bank Name: _____ C. Bank Routing Number: _____

C. Bank Account Number: _____ D. Bank Account Type: _____

Note: Annual fees are due on July 1st. Fees are prorated accordingly for joining the program during a different month.			
Start date:	Enrollment fee due:		
		20 or more Governmental Unit depositors	Less than 20 Governmental Unit depositors
July 1st	<input type="checkbox"/>	\$1,000.00	\$500.00
August 1st	<input type="checkbox"/>	\$916.67	\$458.33
September 1st	<input type="checkbox"/>	\$833.33	\$416.67
October 1st	<input type="checkbox"/>	\$750.00	\$375.00
November 1st	<input type="checkbox"/>	\$666.67	\$333.33
December 1st	<input type="checkbox"/>	\$583.33	\$291.67
January 1st	<input type="checkbox"/>	\$500.00	\$250.00
February 1st	<input type="checkbox"/>	\$416.67	\$208.33
March 1st	<input type="checkbox"/>	\$333.33	\$166.67
April 1st	<input type="checkbox"/>	\$250.00	\$125.00
May 1st	<input type="checkbox"/>	\$166.67	\$83.33
June 1st	<input type="checkbox"/>	\$83.33	\$41.67

Submit Form

Security Agreement

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](#)

Security Agreement

SECURITY AGREEMENT

This Security Agreement (the "Agreement"), dated as of [REDACTED] by and among [REDACTED] (the "Depository"), a bank, capital stock financial institution, or qualifying mutual financial institution in the state of Nebraska, and the Nebraska Bankers Insurance and Services Company ("Administrator" or at times referred to as "NBISCO"). NBISCO is the Administrator whom the Director of the Nebraska Department of Banking and Finance (the "Department" or at times referred to as the "Director" on behalf of the Department), has designated pursuant to *Neb. Rev. Stat. § 77-2398 (2)(b)(ii)*, as now or hereafter amended, on behalf of Governmental Units whose funds are required to be collateralized in accordance with *Neb. Rev. Stat. § 77-2386 et seq.*, as now or hereafter amended,

Additional information about Security Agreement

CERTIFICATE

I, the undersigned, hereby certify to the Administrator, who is the pledgee of collateral securities to secure funds of Governmental Units under the pooling method in accordance with, Public Funds Deposit Security Act, that I am the _____ of the _____, a bank, capital stock financial institution, or qualifying mutual financial institution in Nebraska; that the following is a true copy of the resolution duly adopted by the [Board of Directors / Loan Committee] of the Depository, at a meeting held on the _____ day of _____, 20_____, at which a quorum was present; and that such resolutions have not been rescinded or modified.

SO CERTIFIED, this _____ day of _____, 20 _____.

Director
(SEAL)

Additional information about Security Agreement

EXHIBIT A

RESOLUTION OF THE

Board of Directors /Loan Committee

OF

Name of Depository

WHEREAS, the Federal Deposit Insurance Corporation's Statement of Policy Regarding Treatment of Security Interests After Appointment of the FDIC as Conservator or Receiver dated March 31, 1993, (the "FDIC Policy Statement") specifies that all security agreements pertaining to public deposits be approved by the financial institution's _____ *(Name of Depository) Board of Directors /Loan*

Committee

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chairman, President, or any Vice-President of _____ *(Name of Depository)* be and hereby is authorized and directed to execute and deliver to the Nebraska Bankers Insurance and Services Company (the "Administrator") the "Security Agreement" contained herewith; and
2. The Chairman, President, or any Vice President be and hereby is authorized to act as agent to _____ *(Name of Depository)* under said Agreement, said acts including but not limited to the execution of any required securities account control agreement or escrow agreement; and
3. This resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been given to the Administrator, and that receipt of such notice shall not affect any action taken by the Administrator or affect the security of any deposits that may be or may have been on deposit with _____ *(Name of Depository);* and
4. The Secretary or Assistant Secretary is authorized and directed to certify to the Administrator that this resolution has been duly adopted and that the provisions thereof are in conformity with the Charter, Articles of Incorporation, and By-Laws of _____ *(Name of Depository)*, and that there is no provision in those documents or in any other authorizing document that limits the power of the _____ *(Board of Directors / established Loan Committee)* to pass the foregoing resolution.

ADOPTED this _____ day of _____, 20 _____.

Board of Directors /Designee

Name of Depository

By: _____

Name and Title

Custodial Agreement

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](#)

Agreement between Bank, Qualified Trustee, and NBISCO

CUSTODIAL AGREEMENT

This Custodial Agreement (the "Agreement") dated as of _____, among _____ Bank (the "Depository"), _____ (the "Qualified Trustee"), and Nebraska Bankers Insurance and Services Company (the "Administrator").

Bank Collateral Report

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 Collateral Report

Bank Initial Deposit/ Collateral Form						
Reporting date:						
Reporting Period:						
Depository name:						
Address:						
City:						
Completed by:						
Total Months End Deposits	Total FDIC Insurance	Total Deposits Net of FDIC Insurance *	102%	Market Value of Collateral		In Compliance?
		\$ -	\$ -		-	In compliance
Instructions:						
Please complete all three tabs. Tab one is bank information. Tab two is a list of pledged securities. Tab three is a list of public depositors.						
<div style="display: flex; justify-content: space-between; align-items: center;"> Bank Information Governmental Units Securities-Collateral + </div>						

Bank Collateral Report

List Of Depositors (Governmental Units)

List of Governmental Units		
Governmental Unit	Tax ID	Month end deposit
1		
2		
3		
4		
5		
6		
-		

Bank Collateral Report

List of Pledged securities

Securities and Collateral						
Reporting Date:						
Reporting Period:						
List of Pledged Securities						
Original Par Value	Current Par Value	Dated Date	Rate	Description of Collateral	CUSIP #	Maturity Date

What is available for educating public entities:

Governmental Units

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




Contact Public Depositors

- Promote benefits of program
- Transition of securities from dedicated method to Single Bank Pooled Collateral method
- Encourage the completion of consent to receive monthly bank report by accessing NBSICO website

How to locate Consent to access reports on Administrator's website form **Required to be completed**

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

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

-Three tabs to complete

Monthly Bank Deposit Report											
Bank Name:					Period Ending:		Total 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					
NOTE: Please complete the other two tabs											
Submitted By:					Email Address:			Phone Number:			
<p>* 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.</p>											

Single Bank Collateral Pool

Financial institution monthly reports posted on the NBISCO's website for access by public depositors (political subdivisions and state agencies). This report will inform public depositors if the bank meets the 102% requirement to comply.

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 _____

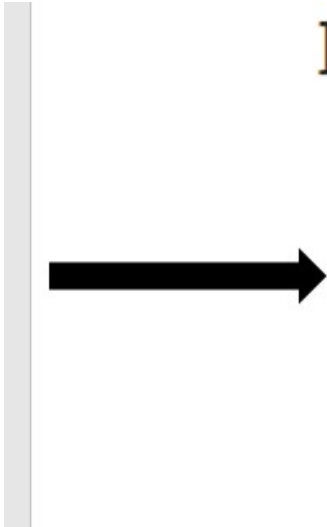
31-Jul-20



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

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

SECURITIES PLEDGED/RELEASE REPORT

Date:	
Depository Name:	
Custodian of Securities:	



Please DEPOSIT the following collateral:

Original Par Value	Current Par Value:	Dated Date:	Rate:	Description of Collateral:	CUSIP#:	Maturity Date

Please RELEASE the following collateral:

Original Par Value	Current Par Value:	Dated Date:	Rate:	Description of Collateral:	CUSIP#:	Maturity Date

Total balance being Deposited/Released:

Total balance AFTER transfer release:

FDIC Insurance: 102% In compliance?

--	--	--	--

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