



Ohio Administrative Code

Rule 113-40-03 Reduced collateral floor application and maintenance criteria.

Effective: August 10, 2023

(A) A financial institution (FI) that has been in OPCP for four quarters may apply for a reduced collateral floor by submitting an application to the treasurer of state.

(1) If the treasurer approves the application, it will set the reduced collateral floor in OPCS. However, if the public unit (PU) has negotiated a higher collateral requirement for an account, the PU negotiated collateral requirement will take precedence.

(2) If the treasurer does not approve the application, the FI will be notified.

(B) Upon receipt of the application for a reduced collateral floor, and as part of the ongoing monitoring process, the treasurer shall use data only from rating agencies, regulatory bodies, reports filed with the federal deposit insurance corporation (FDIC), and publicly available sources to initially approve the reduced collateral floor, and subsequently maintain that approval, for a FI. The performance of the FI evaluation does not imply or construe that the treasurer is a de facto ratings agency.

(C) To be initially approved for a reduced collateral floor, a FI must meet the following criteria:

(1) Not be a de novo bank, as reported by the FDIC;

(2) Be in good standing with government regulators with respect to their deposit business;

(3) Not receive or have on deposit at any one time public moneys, including public moneys as defined in section 135.31 of the Revised Code, in an aggregate amount in excess of thirty per cent of its total assets, pursuant to section 135.03 of the Revised Code;

(4) Meet the standards determined by the treasurer that demonstrate capital adequacy, bank management, safety, and soundness as set forth in the operating policies for the current and



preceding four quarters; and

(5) Have substantially complied with OPCS and OPCP guidelines and operating policies for the current and preceding four quarters.

(D) If a FI meets the foregoing criteria, but the treasurer has identified adverse macroeconomic or regional economic trends or indicators pursuant to the monitoring protocols of rule 113-40-04 of the Administrative Code, then the reduced collateral floor approval may be withheld at the sole discretion of the treasurer.