

6:02:02:03. Adequacy of eligible collateral for securing public deposits. The adequacy of present collateral being used to secure uninsured public deposits must be computed and shown by the public depository, with any deficiency being made up by an immediate pledge of additional eligible security to the South Dakota Public Deposit Protection Commission, the immediate issuance of an irrevocable standby letter of credit, or the immediate guarantee of a corporate surety bond. All securities pledged to secure uninsured public deposits are to be listed and described by name, number, rate, maturity or due date, par or original face value, current market value not including accrued interest, and custodian name and location.

A satisfactory irrevocable standby letter of credit issued to secure uninsured public deposits which is accepted by the state treasurer in behalf of the commission must be listed and described by name, number, aggregate amount, status of either "new" or "renewal," and an acceptable expiration date. An irrevocable standby letter of credit is satisfactory to the commission if it is issued by a federal home loan bank whose credit rating is at least "AA," and if it meets the requirements of § 6:02:02:06. An expiration date is acceptable to the commission if it is a specific date or it is a definite term which is not more than 10 years in the future.

A satisfactory surety bond provided as a guarantee to secure uninsured public deposits which is accepted by the state treasurer in behalf of the commission must be listed and described by name, number, total amount, and date of termination. A surety bond is satisfactory to the commission if it is issued in a maximum guaranteed amount equal to the total limit of liability of the corporation under the bond and if it meets the requirements of § 6:02:02:06.01.

Source: 2 SDR 51, effective January 13, 1976; 24 SDR 93, effective January 12, 1998.

General Authority: SDCL 4-6A-20.

Law Implemented: SDCL 4-6A-3, 4-6A-6, 4-6A-7.