



**PUBLIC DEPOSIT PROTECTION ACT  
APPLICATION TO HOLD COLLATERAL  
SECURING PUBLIC DEPOSITS**  
SECTION 11-10.5-108(1), C.R.S.

**Submit Application to:** DORA\_PDPA@state.co.us

Name of Organization:	
Headquarter Address:	
Headquarter City, State, ZIP Code:	
Telephone Number:	Website:
Name and Title of Authorized Officer Completing Application:	Telephone Number and E-Mail Address:
Name and Title of Organization's PDPA Compliance Contact:	Telephone Number and E-Mail Address:

Complete items (1) through (5) only if the organization is a Bank:

1. Bank's current Tier 1 capital ratio

2. Bank's current total assets

3. Total assets of trust department (if applicable)

4. Overall Bank composite rating

5. Trust department rating (if applicable)

\$
\$

6. Briefly describe the procedures that will be used to ensure that the collateral pledged to protect public deposits will be clearly identified, segregated, and securely maintained.

7. Does the organization agree to allow state bank examiners access to the organization's premises, the collateral, and any records the examiners request for the purpose of examining the safekeeping facilities and procedures?

YES

NO

8. Attach a draft copy of the Deposit/Pledge Agreement that will be executed between the organization (as escrow agent) and each of the customer banks (the eligible public depositories). That Deposit/Pledge Agreement should, at a minimum, provide that:

- a. In the event of default or insolvency of the eligible public depository for which the collateral is held, the escrow agent shall surrender such collateral to the Colorado State Banking Board (Banking Board).
- b. The escrow agent shall make available to the Banking Board the eligible collateral and any books, records, and papers pertaining thereto for any examination or other reason necessary for the administration of the Public Deposit Protection Act.
- c. The eligible public depository and the escrow agent will follow the procedures established by the Banking Board with respect to the pledging and releasing of collateral, and reporting requirements.

9. Remit fee amount as set forth in the Division of Banking's (Division) Fee Schedule. Once the application is reviewed, the Division will contact the applicant with instructions to remit electronic payment.

.....

**COMPLETE ITEMS (10) THROUGH (12) ONLY IF THE BANK SEEKS APPROVAL TO HOLD COLLATERAL SECURING ITS OWN PUBLIC DEPOSITS IN ITS TRUST DEPARTMENT.**

10. Briefly describe the procedures that will be used to identify and segregate the collateral pledged to secure the Bank's public deposits from the other assets of the Bank.

11. Attach a draft copy of the Trust Agreement that will be executed between the Bank, as the eligible public depository, and the Bank's Trust Department, acting as the eligible public depository's fiduciary. This Agreement should, at a minimum, provide that:

- a. The collateral held to secure the eligible public depository's public deposits will be segregated from other Bank assets and will be clearly identified on the face of the instruments, on documents evidencing the instruments, on Trust Department records, and on any approved Agent's records as pledged to the Banking Board under the Public Deposit Protection Act.

- b. In the event of default or insolvency of the eligible public depository, the fiduciary will surrender the collateral to the Banking Board or its designated representative.
- c. The fiduciary shall make available to the Banking Board, for examination purposes, the safekeeping premises, the eligible collateral, and any books, records, or other information requested.
- d. The eligible public depository and fiduciary will follow the procedures established by the Banking Board with respect to the pledging and releasing of collateral, and reporting requirements

12. Attach a copy of the Bank's most current Annual Report of Trust Assets.

.....

**SUBMITTED ON BEHALF OF:**

\_\_\_\_\_  
Organization Name

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Title of Authorized Officer

\_\_\_\_\_  
Date Submitted



**COLORADO**

Department of  
Regulatory Agencies  
Division of Banking

1560 Broadway, Suite 975, Denver, Colorado 80202

# **PUBLIC DEPOSIT PROTECTION ACT AGREEMENT DESIGNATING CUSTODIAN TO HOLD COLLATERAL SECURING PUBLIC DEPOSITS**

This Agreement Designating Custodian to Hold Collateral Securing Public Deposits pursuant to the Public Deposit Protection Act (Agreement) dated \_\_\_\_\_  
(Insert Current Month, Day, Year), is made by the Colorado State Banking Board (Banking Board) and \_\_\_\_\_ (Insert Name of Institution, City, State),  
(Custodian) to designate the Custodian to hold eligible collateral in escrow for the purposes of the Public Deposit Protection Act, Title 11, Article 10.5, Colorado Revised Statutes.

The Banking Board is authorized by Section 11-10.5-108(1)(a), C.R.S., to designate institutions in whose custody eligible collateral shall be held to secure any uninsured public funds deposited in an eligible public depository.

The Custodian has applied for designation by the Banking Board to hold eligible collateral in escrow subject to the terms and conditions of the Public Deposit Protection Act and such additional restrictions as are deemed necessary by the Banking Board.

The Banking Board agrees to designate the Custodian as authorized to hold eligible collateral, and the Custodian agrees as follows:

- 1. Compliance with Colorado law and Banking Board requirements.** The Custodian shall hold eligible collateral in compliance with all requirements set out in the Public Deposit Protection Act and any Rules, policies, and procedures prescribed by the Banking Board. To the extent that this agreement uses terms defined in the Public Deposit Protection Act, those defined terms shall have the meaning set out in Section 11-10.5-103, C.R.S., unless expressly defined otherwise in this Agreement.
- 2. Deposit agreements.** As to each eligible public depository for which the Custodian holds eligible collateral, there shall be a written deposit or pledge Agreement which shall incorporate the following provisions:
  - a. In the event of default or insolvency of the eligible public depository for which the collateral is held, the Custodian shall surrender such collateral to the Banking Board; and
  - b. The Custodian shall make available to the Banking Board the eligible collateral and any books, records, and papers pertaining thereto for any examination or other reason necessary for the administration of the Public Deposit Protection Act; and
  - c. The eligible public depository and the Custodian shall follow all procedures established by the Banking Board with respect to the pledging and releasing of collateral and all reporting requirements.
- 3. Examinations and availability of records.** The Custodian shall comply with all reporting requirements concerning the safekeeping of eligible collateral which may be required by law or imposed by the Banking Board or by the Bank Commissioner. Upon request of the Banking Board or the Bank Commissioner, the Custodian shall, at no charge, make available to the Banking Board or the Bank Commissioner at their offices in Denver, Colorado, all eligible collateral and any books, records, and

other papers pertaining to the custody of the eligible collateral, including the collateral held by agents or subagents and any books, records, or other papers of the agents or subagents pertaining to the custody of the eligible collateral. Alternatively, the Banking Board and the Bank Commissioner at their option may examine the eligible collateral and any books, records, and other papers at the offices of the Custodian, or at the offices of any agent or subagent. Upon request of the Banking Board or the Bank Commissioner, the Custodian shall prepare a report identifying the specific eligible collateral held for each eligible public depository for which it serves as Custodian and identifying any agents or subagents holding the eligible collateral. In addition, upon the request of the Banking Board or the Bank Commissioner, the Custodian shall order any agent or subagent to prepare a report to the Banking Board identifying the specific eligible collateral held by the agent or subagent for the Custodian.

**4. Pledging and releasing collateral.** The Custodian shall comply with all collateral pledging and releasing procedures required by the Banking Board or the Bank Commissioner. Those required procedures include, but are not limited to:

- a. The Custodian shall obtain written approval from the Colorado Division of Banking (Division) prior to the pledging or releasing of collateral; and
- b. The Custodian shall provide an electronic mail (e-mail) address for which authorizations for pledging and releasing collateral will be transmitted between the Division and the Custodian.

**5. Colorado law governs.** The Custodian agrees that Colorado law governs all questions arising out of this Agreement or its function as Custodian of eligible collateral. It further agrees that the Colorado State Courts have exclusive jurisdiction to resolve any litigation relating to this Agreement. Venue in any such litigation shall be in the Colorado State District Court for the City and County of Denver.

**6. Notices.** All notices required to be given to the Banking Board shall be directed to:

Division of Banking  
Public Deposit Protection Program  
1560 Broadway, Suite 975 Denver, CO 80202  
**Electronically to: [DORA\\_PDPA@state.co.us](mailto:DORA_PDPA@state.co.us)**

The Custodian shall designate in writing the name, business address, telephone number and e-mail address of its principal contact person with authority to bind the Custodian concerning issues arising from this Agreement. The Custodian shall also designate such additional contact persons who have the necessary information to facilitate the day-to-day administration of its responsibilities under this Agreement.

**7. Termination.** The Banking Board may terminate this Agreement at any time upon seven (7) days' notice to the Custodian. The Custodian may terminate this Agreement with the prior approval of the Banking Board. The Custodian must provide the Banking Board with thirty (30) days' notice of its intent to terminate this Agreement. The Banking Board's approval will be contingent upon the Custodian having met its obligations under this Agreement, including following the instructions of the Banking Board or the Bank Commissioner for the transfer of all pledged eligible collateral to other approved custodial banks.

**8. Transfers of collateral.** If an eligible public depository bank decides to transfer pledged collateral from the Custodian to another institution designated to hold pledged collateral, the Custodian will follow the transfer of collateral procedures and time frames required by the Banking Board or the Bank Commissioner to move the pledged collateral to another institution.

- 9. Event of default or insolvency of depository.** Upon notice from the Banking Board or the Bank Commissioner that an eligible public depository has experienced an event of default or insolvency and that the Banking Board intends to seize and take possession of all eligible collateral belonging to or held on behalf of the defaulting or insolvent depository, the Custodian shall immediately surrender to the Banking Board title and possession of eligible collateral held for the defaulting or insolvent depository and shall follow such other instructions as to the disposition of the eligible collateral as may be specified by the Banking Board or the Bank Commissioner.
- 10. Examination fee and reimbursement for expenses.** The Custodian will reimburse the Banking Board or State Bank Commissioner for hourly examination fees as defined in the Colorado Division of Banking Fee Schedule. Additionally, the Custodian will reimburse travel expenses, if incurred by the examiner for an on-site examination.
- 11. Representation of authority.** The Custodian represents that the person executing this contract on its behalf has the authority to bind it in all matters relating to this Agreement.
- 12. Non-assignable.** This Agreement shall not be assignable by the Custodian.
- 13. Special provisions for Limited-Capacity Custodian.** If the Custodian holds pledged collateral only in the limited capacity of an agent of another Banking Board approved Custodian, this Agreement will be limited as follows:
- a. Paragraph (2)(c) shall not apply. The Limited-Capacity Custodian shall comply with the Limited-Capacity Custodian releasing procedures set forth in Paragraph (13)(c) below.
  - b. Paragraph (3) shall not apply. The Limited-Capacity Custodian shall, upon request of the Banking Board or the Bank Commissioner, make available to the Banking Board or the Bank Commissioner at their offices in Denver, Colorado, all eligible collateral and any books, records, and other papers pertaining to the custody of the eligible collateral, including the collateral held by subagents and any books, records, or other papers of the subagents pertaining to the custody of the eligible collateral. Alternatively, the Banking Board and the Bank Commissioner at their option may examine the eligible collateral and any books, records, and other papers at the offices of the Limited-Capacity Custodian, or at the offices of any subagent. Upon request of the Banking Board or the Bank Commissioner, the Limited-Capacity Custodian shall prepare a report identifying the specific eligible collateral held for the Custodian it serves and identifying any subagents holding the eligible collateral. In addition, upon the request of the Banking Board or the Bank Commissioner, the Limited-Capacity Custodian shall prepare a report to the Banking Board or the Bank Commissioner identifying the specific eligible collateral held by the subagent for the Limited-Capacity Custodian.
  - c. Paragraph (4) shall not apply. The Limited-Capacity Custodian, at the request of the Banking Board or the Bank Commissioner, shall immediately release and transfer the requested eligible collateral to the Banking Board, the Bank Commissioner, or a designated agent in accordance with the specific instructions set forth in the written notice of demand for release and transfer of the eligible collateral.
  - d. The last sentence of Paragraph (6) shall not apply.
  - e. The second sentence of Paragraph (7) shall be deemed to state, "The Limited-Capacity Custodian may terminate this Agreement provided that the Limited-Capacity Custodian must provide the Banking Board with thirty (30) days' notice of its intent to terminate this agreement." The last sentence of Paragraph (7) shall not apply.
  - f. In the event the Limited-Capacity Custodian acts as Custodian for any eligible public depository in Colorado, then the Agreement shall apply in full to the Custodian without the limitations set forth in Paragraph (13)(a) through (e) above.

\_\_\_\_\_ is hereby identified as a Limited-Capacity  
(Insert Name of Institution)

Custodian for \_\_\_\_\_  
(Insert Name of Institution, City, State)

**COLORADO STATE BANKING BOARD**

\_\_\_\_\_  
(Name of Institution)

By \_\_\_\_\_  
(Signature)

By \_\_\_\_\_  
State Bank Commissioner

\_\_\_\_\_  
(Printed Name and Title)