

## OREGON PUBLIC FUNDS PLEDGE AGREEMENT – CREDIT UNION

This Oregon Public Funds Pledge Agreement (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between the State of Oregon, acting by and through the Office of the State Treasurer (“Treasury”), \_\_\_\_\_ (“Depository”), and the Federal Home Loan Bank (“Custodian”).

### RECITALS

WHEREAS, Depository wishes to act as a Credit Union Depository for Public Funds as described in Oregon Revised Statutes, Chapter 295 ("ORS 295"); and

WHEREAS, Depository has transferred, or intends to transfer, to Custodian certain securities as prescribed in ORS 295 (“Securities”) to secure the deposits of Public Funds held by Depository; and

WHEREAS, Custodian has agreed to hold the Securities as collateral to secure the deposits of Public Funds held by Depository; and

WHEREAS, Treasury and Depository understand and agree that Custodian may itself use a banking institution, other than Depository, to act as its agent, to hold any Securities received by Custodian for or by Treasury or Depository pursuant to this agreement; and

WHEREAS, ORS 295 places upon Treasury the duty of overseeing the deposit of Public Funds and enforcing the requirements of ORS 295 as they relate to the collateralization of Public Funds deposited by all Oregon Public Officials;

NOW THEREFORE, Treasury, Depository and Custodian agree as follows:

### AGREEMENT

1. ORS Chapter 295. ORS 295, as it may be amended from time to time, and any administrative rules adopted under the provisions of ORS 295.108, are hereby incorporated by this reference into this Agreement. Any references to ORS 295 in this Agreement shall refer to ORS 295 as enacted on the date of this Agreement, and as it may be amended from time to time. Unless otherwise specifically defined in this Agreement, capitalized terms shall have the meanings given in ORS 295. In the event of a conflict between ORS 295 and any term or condition of the Agreement, ORS 295 will control. A copy of ORS 295 as enacted on the date of this Agreement is attached here as Exhibit A.

2. Depository. Depository represents and warrants that it is a Credit Union Depository as described in ORS 295.001(5). Depository certifies and agrees that it will furnish any reports required under Oregon law to the Director of the State of Oregon Department of Consumer and Business Services, and will furnish any other reports requested by the Director to determine the appropriate Minimum Collateral Requirement under ORS 295.

3. Approval. Depository's Board of Directors or Loan Committee has approved the execution of this Agreement and such approval is reflected in the meeting minutes or a comparable record of official action by that body. Depository agrees to provide Treasury with a copy of the minutes or other record of such approval within thirty days of the official action approving this Agreement. Depository agrees to maintain this Agreement as a continuous written record of the Depository.

4. Custodian. Custodian represents and warrants that it is the Federal Home Loan Bank designated to serve Oregon or a branch of the Federal Home Loan Bank designated to serve Oregon. Depository hereby designates Custodian to serve as its Custodian Bank to hold Securities that are transferred to it for the purpose of collateralizing Uninsured Public Funds Deposits.

5. Agreement to Transfer and Pledge Collateral. Depository shall transfer Securities to Custodian Bank in the amount required by ORS 295 if Depository holds Uninsured Public Funds for any single Public Official. Depository hereby pledges and grants for the benefit of Treasury, a continuing security interest in and assigns and pledges any Securities transferred to Custodian as collateral to secure the deposits of Uninsured Public Funds held by Depository as provided in ORS 295. To the extent there exists any lien, encumbrance or security interest in the Securities in favor of Custodian, Custodian hereby waives and releases any such lien, encumbrance and security interest in the Securities but only for so long as such Securities are pledged, delivered and in the possession or control of the Custodian for the benefit of Treasury.

6. Amount of Collateral. Depository agrees that for as long as it holds any Uninsured Public Funds Deposits, Depository will maintain on deposit with Custodian, Securities having a value at least equal to its Minimum Collateral Requirement. Depository's Minimum Collateral Requirement shall be as prescribed by ORS 295 and Treasury. Treasury shall notify Custodian as required under ORS 295 of Depository's Minimum Collateral Requirement. Treasury agrees and understands that Custodian has no obligation to determine the amount of Securities required to be pledged by Depository to Treasury under ORS 295 or this Agreement and will rely exclusively on reports provided periodically by Treasury to Custodian. Such Securities shall be immediately deposited with Custodian and such Securities shall be clearly designated as subject to this Pledge Agreement and held for the benefit of Treasury on behalf of all Public Officials depositing Uninsured Public Funds in an Oregon Depository under ORS 295. In addition, Depository agrees that the individual and aggregate amounts of its Uninsured Public Funds Deposits will not exceed any amounts allowed under ORS 295 and agrees to comply with any and all additional requirements imposed by ORS 295, as it is now enacted and as it may be amended, including depositing additional Securities when its Minimum Collateral Requirement increases under operation of ORS 295 or notice from Treasury.

7. Custodian Accepts Collateral. Custodian agrees to accept and hold, subject to the security interest granted by this Agreement, all Securities that may be delivered to it from time to time by Depository in the form in which they are received. Such Securities shall be subject to withdrawal or other disposition on written instruction from Treasury as provided in ORS 295. Custodian agrees to issue and provide the information and reports required of a Custodian Bank under ORS 295, including, but not limited to, Custodian's Receipts upon receipt of Securities

from Depository. Custodian agrees to segregate the Securities from other collateral, if any, held by it for the account of Depository.

8. Security Interest. The security interest in the Securities created by this Agreement shall continue in any replacements, substitutions, additions or proceeds of the Securities. Depository represents and warrants that it is the owner of the Securities, and at the time of transfer to the Custodian and in the future, except as allowed by ORS 295, the Securities are and will remain free of any liens or encumbrances other than the security interest and pledge contained in this Agreement. Depository shall be deemed to repeat this representation with respect to Securities delivered in addition to or in substitution of the existing Securities deposited as collateral. Unless Depository is in default under this Agreement or a Loss has occurred, any interest or other earnings from the Securities shall belong to Depository.

9. Custodian Duties. Upon receipt of Securities from Depository that are pledged as collateral under this Agreement, Custodian agrees to issue its Custodian's Receipts to Treasury and to take all other actions and provide all other notices required of a Custodian Bank under ORS 295.

10. Additional Actions. Depository shall take all steps necessary to create, maintain and perfect Treasury's security interest, subject to the terms and conditions of ORS 295, in the transferred Securities. Depository agrees to execute any additional documents or take whatever other action is requested by Treasury to perfect and continue Treasury's security interest in the collateral, including, but not limited to, the pledge of additional Securities in the event pledged Securities mature during the term of this Agreement. Depository hereby appoints Treasury to act as Depository's attorney-in-fact for the purpose of executing any documents necessary to perfect or continue the security interest granted herein. At such time as this Agreement is no longer in effect, and provided that Depository is not in default in its performance of this Agreement or subject to a Loss or has failed to comply with ORS 295, Treasury will execute such documents or take such other action as may be required to terminate the security interest granted to Treasury in the collateral.

11. Monitoring. Depository shall monitor the amount of its Uninsured Public Funds Deposits and its Minimum Collateral Requirement. If, pursuant to such monitoring or because of notice from Treasury, Depository learns that its Minimum Collateral Requirement has increased, it shall immediately provide the notices within the times specified and take such other actions as are required by ORS 295, including depositing additional Securities with Custodian. If Depository's Minimum Collateral Requirement decreases, it shall provide written notice as specified in ORS 295 to Treasury and, after receiving written approval from Treasury, Depository may withdraw the amount of Securities that exceed its Minimum Collateral Requirement. Treasury shall execute such releases and other documents as are appropriate to effect substitutions and withdrawals of Securities that are held in excess of Depository's Minimum Collateral Requirement.

12. Occurrence of Loss. Depository acknowledges and agrees that if a Loss occurs in an Oregon Depository, the Securities subject to this Agreement shall be available without restriction and subject to disposition as provided in ORS 295.

13. Termination.

a. No Uninsured Public Funds. If Depository ceases to hold Uninsured Public Funds, this Agreement may not be terminated until the time periods set forth in ORS 295, or such longer period as directed by Treasury in writing, shall have expired. During such period, this Agreement shall continue in full force and effect; and Custodian shall continue to hold Securities subject to the pledge under this Agreement.

b. Uninsured Public Funds. If Depository holds any Uninsured Public Funds, this Agreement may not terminate until Depository has entered into a successor Pledge Agreement that is in full force and effect with provisions that the custodian appointed under such agreement is a successor to the Custodian and that the pledge of Securities under the successor agreement is a continuation of the pledge made under this Agreement, with no intervening liens or encumbrances that take priority over the lien and pledge of this Agreement. Custodian agrees to transfer all Securities it holds under this Agreement to another eligible Custodian Bank with whom Treasury and Depository have entered into a Pledge Agreement.

c. Notice of Termination. Subject to paragraphs a. and b. of this section, this Agreement may be terminated by one of the parties only after at least ninety (90) days prior written notice to all other parties.

d. ORS 295.009 Termination. In addition to, and not in lieu of, the foregoing paragraphs a.-c., pursuant to ORS 295.009 Treasury may terminate this agreement upon written notice to the Depository if fewer than five credit unions are qualified as credit union depositories during any period of 180 days or longer. Within ten business days of the termination date specified in the notice, Depository shall return all uninsured public funds deposits that Depository holds to the public official(s) depositing such funds. This provision shall survive termination of this Agreement.

14. Default. Depository or Custodian shall be in default of this Agreement: (i) upon failure to perform any of the terms of this Agreement; (ii) failure to comply with any applicable provision of ORS 295; or (iii) if any representation, warranty, or statement made in this Agreement is false in any material respect when made or furnished.

15. Remedies. Upon the occurrence of an Event of Default or a Loss, Treasury, acting on behalf of Uninsured Public Funds depositors, pursuant to ORS 295, may exercise any one or more of the rights and remedies of a secured creditor provided at law, in equity, by ORS 295 and otherwise.

16. Governing Law. This Agreement is accepted in and shall be governed by the laws of the State of Oregon. To the extent any terms of this Agreement are inconsistent with the provisions of ORS 295 as it is now enacted or as it may be amended, the provisions of ORS 295 shall control. Depository, Treasury and Custodian agree that any legal action or proceeding arising out of, or relating to, this Agreement shall be brought in the Circuit Court of the State of Oregon located in Marion County. Depository and Custodian agree to the personal jurisdiction of such court.

17. Notice. All notices, requests, consents, demands and other communications to be made or given under ORS 295 shall be made or given and be effective as provided by Oregon Revised Statute. Unless specified otherwise by law, all notices, requests, consents, demands or other communications to be made or given under this Agreement shall be effective three (3) days after the same shall have been duly deposited with the United States Postal Service, certified or registered mail, postage prepaid, or upon receipt when transmitted by telex, facsimile, or internet service or if sent by overnight courier or expedited personal delivery service, addressed to the respective party at the address set forth below:

Office of the State Treasurer  
Attn: Finance Division  
350 Winter St. N.E., Suite 100  
Salem, Oregon 97301-3896

Depository

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Custodian

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any addressee may change the address to which notices are to be sent by notice of such change to the other addressees given as provided herein.

18. Successors. This Agreement shall be binding upon and inure to the benefit of the parties, their successors, and assigns.

19. Non-Waiver. Failure by any party to enforce any provision of this Agreement at any time shall not affect the party's right by doctrine of waiver or estoppel to otherwise enforce any provision at any other time.

20. Scope of Agreement. This Agreement, including any exhibits, incorporates all the agreements, covenants and understandings between the parties concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this Agreement. No prior agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

21. Amendments, Modifications. No alteration, variation, amendment, modification or waiver of any provision of this Agreement shall be valid until reduced to writing and executed by the parties.

22. Audit. In addition to other regulatory audits or examinations performed under federal or state law, Custodian agrees that, upon prior written notice, the books, records and

documents of Custodian relevant to this Agreement may be examined by Treasury or examined and subject to audit by the Office of the Oregon Secretary of State.

23. Authorized Persons. Treasury and Depository agree to provide Custodian with the names of, and specimen signatures of, those persons authorized to give instructions to Custodian under this Agreement.

24. Capitalized Terms. All capitalized terms in this Agreement shall have the meaning provided in ORS 295, unless the context indicates a different meaning.

25. Effect of Captions. Captions of the paragraphs of this Agreement are for convenience and reference only; and the words contained in the captions shall in no way be held to explain, modify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

26. Severability. If any provision of this Agreement for any reason shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, such occurrence shall not have the effect of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable. The remaining provisions contained herein shall not in any way be affected or impaired.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

By signature below, each party represents that it has full power and authority to enter into this Agreement under the terms and conditions set forth herein.

OFFICE OF THE STATE TREASURER

DEPOSITORY

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

CUSTODIAN

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT A**

### Chapter 295 — Depositories of Public Funds and Securities

#### 2015 EDITION

#### DEPOSITORIES OF PUBLIC FUNDS AND SECURITIES

##### PUBLIC FINANCIAL ADMINISTRATION

- 295.001 Definitions for ORS 295.001 to 295.108
- 295.002 Deposit of public funds; limitation; exception
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- 295.205 Accounts in financial institutions outside Oregon; conditions; rules

**295.001 Definitions for ORS 295.001 to 295.108.** As used in ORS 295.001 to 295.108, unless the context requires otherwise:

(1) “Adequately capitalized” means a depository that is classified as adequately capitalized by the depository’s primary federal regulatory authority.

(2) “Bank depository” means an insured institution or trust company that:

(a) Maintains a head office or branch in this state in the capacity of an insured institution or trust company; and

(b) Complies with ORS 295.008.

(3) "Business day" means a day other than a federal or State of Oregon legal holiday or a day other than a day on which offices of the State of Oregon are otherwise authorized by law to remain closed.

(4) "Closed depository" means a depository that is subject to a loss.

(5) "Credit union depository" means a credit union as defined in ORS 723.006 or a federal credit union if:

(a) The shares and deposits of the credit union or federal credit union are insured by the National Credit Union Share Insurance Fund;

(b) The credit union or federal credit union maintains a head office or branch in this state in the capacity of a credit union or federal credit union; and

(c) The credit union or federal credit union complies with ORS 295.008.

(6) "Custodian" means one of the following institutions that a depository designates for the depository's own account:

(a) The Federal Home Loan Bank designated to serve this state, or a branch of the Federal Home Loan Bank; or

(b) An insured institution, trust company or credit union that:

(A) Is authorized to accept deposits or transact trust business in this state;

(B) Complies with ORS 295.008; and

(C) Has been approved by the State Treasurer to serve as a custodian, if the State Treasurer has approved custodians under ORS 295.008.

(7) "Custodian's receipt" or "receipt" means a document issued by a custodian that describes the securities that a depository deposited with the custodian to secure public fund deposits.

(8) "Depository" means a bank depository or a credit union depository.

(9) "Financial institution outside this state" means a financial institution, as defined in ORS 706.008, that is not an extranational institution, as defined in ORS 706.008, and is not a bank depository or credit union depository, as defined in this section.

(10) "Insured institution" means an insured institution as defined in ORS 706.008.

(11) "Loss" means the issuance of an order by a regulatory or supervisory authority or a court of competent jurisdiction that:

(a) Restrains a depository from making payments of deposit liabilities; or

(b) Appoints a receiver for a depository.

(12) "Maximum liability" means a sum equal to 10 percent of the greater of:

(a) All uninsured public funds deposits held by a depository, as shown on the date of the depository's most recent treasurer report; or

(b) The average of the balances of uninsured public funds deposits on the last two immediately preceding treasurer reports.

(13) "Minimum collateral requirement" for a depository on any given date means a sum equal to:

(a) For a well capitalized depository that the State Treasurer has not required to increase the depository's collateral pursuant to ORS 295.018, 10 percent of the greater of:

(A) All uninsured public funds held by the depository, as shown on the most recent treasurer report;

(B) The average of the balances of uninsured public funds held by the depository, as shown on the last two immediately preceding treasurer reports; or

(C) An amount otherwise prescribed in ORS 295.001 to 295.108.

(b) For a well capitalized depository that the State Treasurer required to increase the depository's collateral pursuant to ORS 295.018, the percentage the State Treasurer required pursuant to ORS 295.018 multiplied by the greater of:

(A) All uninsured public funds held by the depository, as shown on the most recent treasurer report;

(B) The average of the balances of uninsured public funds held by the depository, as shown on the last two immediately preceding treasurer reports; or

(C) An amount otherwise prescribed in ORS 295.001 to 295.108.

(c) For an adequately capitalized depository or an undercapitalized depository, 110 percent of the greater of:

(A) All uninsured public funds held by the depository; or

(B) The average of the balances of uninsured public funds held by the depository, as shown on the last two immediately preceding treasurer reports.

(14) "Net worth" means a depository's total risk-based capital, as shown on the immediately preceding report of condition and income, and may include capital notes and debentures that are subordinate to the interests of depositors.

(15) "Pledge agreement" means a written agreement among an insured institution, trust company or credit union, the State Treasurer and a custodian that pledges the securities the insured institution, trust company or credit union deposits with the custodian as collateral for deposits of uninsured public funds that the insured institution, trust company or credit union holds. The board of directors or loan committee of the insured institution, trust company or credit union must approve the agreement and must continuously maintain the agreement as a written record of the insured institution, trust company or credit union.

(16) "Public funds" or "funds" means funds that a public official has custody of or controls by virtue of office.

(17) "Public official" means an officer or employee of this state or an agency, political subdivision or public or municipal corporation of this state, or a housing authority, that by law is the custodian of or has control of public funds.

(18) "Report of condition and income" means the quarterly report a depository submits to the depository's primary federal regulatory authority.

(19) "Security" or "securities" means:

(a) Obligations of the United States, including those of agencies and instrumentalities of the United States, and of government sponsored enterprises;

(b) Obligations of the International Bank for Reconstruction and Development;

(c) Bonds of a state of the United States that:

(A) Are rated in one of the four highest grades by a recognized investment service organization that has engaged regularly and continuously for a period of not less than 10 years in rating state and municipal bonds; or

(B) Having once been rated in accordance with subparagraph (A) of this paragraph, are ruled to be eligible securities for the purposes of ORS 295.001 to 295.108, notwithstanding the loss of the rating;

(d) Bonds of a county, city, school district, port district or other public body in the United States that are payable from or secured by ad valorem taxes and that meet the rating requirement or are ruled to be eligible securities as provided in paragraph (c) of this subsection;

(e) Bonds of a county, city, school district, port district or other public body that are issued pursuant to the Constitution or statutes of the State of Oregon or the charter or ordinances of a

county or city within the State of Oregon, if the bonds meet the rating requirement or are ruled to be eligible securities as provided in paragraph (c) of this subsection;

(f) With the permission of the State Treasurer and in accordance with rules the State Treasurer adopts, loans made to a county, city, school district, port district or other public body in the State of Oregon, if the borrower has not defaulted with respect to the payment of principal or interest on any of the borrower's loans within the preceding 10 years or during the period of the borrower's existence if the borrower has existed for less than 10 years;

(g) With the permission of the State Treasurer and in accordance with rules the State Treasurer adopts, bond anticipation notes that an authority issues, sells or assumes under ORS 441.560;

(h) Bonds, notes, letters of credit or other securities or evidence of indebtedness constituting the direct and general obligation of a federal home loan bank or Federal Reserve bank;

(i) Debt obligations of domestic corporations that are rated in one of the three highest grades by a recognized investment service organization that has engaged regularly and continuously for a period of not less than 10 years in rating corporate debt obligations; and

(j) Collateralized mortgage obligations and real estate mortgage investment conduits that are rated in one of the two highest grades by a recognized investment service organization that has engaged regularly and continuously for a period of not less than 10 years in rating corporate debt obligations.

(20) "Treasurer report" means a written report that an officer of a depository that holds uninsured public funds deposits has signed or authenticated and that sets forth as of the close of business on a specified date:

(a) The total amount of uninsured public funds on deposit with the depository;

(b) The total amount of public funds on deposit with the depository;

(c) The net worth of the depository;

(d) The amount and nature of eligible collateral then on deposit with the depository's custodian to collateralize the depository's public funds deposits; and

(e) The identity of the depository's custodian.

(21) "Treasurer report due date" means a date not less than 10 business days after the date a depository's report of condition and income is due to be submitted.

(22) "Trust company" means a trust company as defined in ORS 706.008.

(23) "Undercapitalized" means a depository that the depository's primary federal regulatory authority has classified as undercapitalized, significantly undercapitalized or critically undercapitalized.

(24)(a) "Uninsured public funds" or "uninsured public funds deposits" means public funds deposited in a depository that exceed the amounts insured or guaranteed as described in ORS 295.002 (1)(a) and (b).

(b) "Uninsured public funds" or "uninsured public funds deposits" does not include public funds deposited in a certificate of deposit or time deposit under ORS 295.004 (1) or public funds that an Oregon depository arranges to deposit into an insured deposit account under ORS 295.004 (2).

(25) "Value" means the current market value of securities.

(26) "Well capitalized" means a depository that the depository's primary federal regulatory authority has classified as well capitalized. [Formerly 295.005; 2009 c.821 §1; 2010 c.101 §1; 2011 c.477 §§3,4]

**295.002 Deposit of public funds; limitation; exception.** (1) A public official may retain undeposited such reasonable cash working fund as is fixed by the governing body of the political subdivision or public corporation for which the public official acts. Except to the extent of the cash working fund, a public official shall deposit public funds in the public official's custody or control in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. Unless a depository has entered into the agreement described in ORS 295.008 (2)(b) and has deposited securities pursuant to ORS 295.015 (1), the public official may not have on deposit in any one depository and branches of the depository a sum in excess of:

(a) The amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund; or

(b) For any amount over the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, the amount insured or guaranteed by private deposit insurance or a deposit guaranty bond issued by an insurance company rated A- or better by a recognized insurance rating service.

(2) Compliance with ORS 295.001 to 295.108 relieves the public official of personal liability for the loss of the public funds in the public official's custody or control. [Formerly 295.025; 2010 c.101 §2]

**295.004 Conditions for deposit of funds in excess of specified amounts.** (1) A public official may deposit public funds in a depository in an amount in excess of the amount allowed in ORS 295.002 without requiring the depository to show that the depository entered into a pledge agreement or deposited securities pursuant to ORS 295.015 (1) if the public official deposits the funds into a depository in Oregon and the Oregon depository participates in a program through which:

(a) The Oregon depository arranges to deposit the funds into one or more certificates of deposit or time deposits issued by other financial institutions in the United States;

(b) Each certificate of deposit or time deposit is fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(c) The Oregon depository administers the funds on behalf of the public official; and

(d) Other financial institutions that participate in the program place funds into the Oregon depository in an amount at least equal to the amount the public official deposited into the Oregon depository for purposes of the program.

(2) A public official may deposit public funds in a depository in an amount in excess of the amount allowed in ORS 295.002 without requiring the depository to show that it has entered into a pledge agreement or deposited securities pursuant to ORS 295.015 (1) if the funds are initially deposited into a depository in Oregon and the Oregon depository participates in a program that meets the following conditions:

(a) On or after the date that the funds are received, the Oregon depository:

(A) Arranges for the redeposit of the funds into one or more insured deposit accounts in other financial institutions in the United States; and

(B) Administers the funds on behalf of the public official;

(b) The full amount of the funds redeposited by the Oregon depository into deposit accounts in other financial institutions, together with any interest accrued on deposited funds, is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund; and

(c) On the same date that the funds are redeposited under this subsection, the Oregon depository receives an amount of deposits from customers of other financial institutions that are at least equal to the amount of the funds redeposited by the Oregon depository.

(3) Until the Oregon depository places public funds into one or more certificates of deposit or time deposits as provided in subsection (1) of this section or places public funds into insured deposit accounts as provided in subsection (2) of this section, any uninsured public funds that the Oregon depository holds pending placement must be collateralized as provided in ORS 295.001 to 295.108 for other uninsured public funds deposits.

(4)(a) The provisions of ORS 295.006, 295.013, 295.015, 295.018, 295.037 and 295.038 do not apply to Oregon depositories that arrange to deposit public funds in accordance with the programs described in subsections (1) and (2) of this section.

(b) The provisions of ORS 294.035 and 295.001 that require public funds to be deposited into depositories that have offices or branches in Oregon do not apply to public funds that an Oregon depository arranges to deposit into certificates of deposit or time deposits under the provisions of the program described in subsection (1) of this section or to public funds that an Oregon depository arranges to deposit into insured deposit accounts under subsection (2) of this section. [Formerly 295.027; 2009 c.821 §2; 2010 c.101 §3; 2011 c.477 §§1,2]

**295.005** [1967 c.451 §1; 1973 c.157 §4; 1973 c.288 §2; 1973 c.378 §1; 1973 c.797 §426; 1975 c.515 §8; 1981 c.440 §2; 1983 c.104 §3; 1983 c.456 §4; 1985 c.439 §1; 1985 c.565 §51; 1987 c.524 §1; 1989 c.536 §1; 1991 c.352 §6; 1993 c.74 §1; 1993 c.229 §23; 1993 c.318 §12; 1997 c.631 §447; 1999 c.311 §1; 1999 c.412 §3; 2003 c.195 §17; 2003 c.405 §2; 2005 c.443 §§32,32a; 2007 c.783 §123; 2007 c.871 §15a; renumbered 295.001 in 2007]

**295.006 Depository and public official filings with State Treasurer; rules.** (1) A depository shall keep on file with the State Treasurer the name and address of the depository's custodian.

(2) A public official shall keep on file with the State Treasurer the name and address of each depository in which the public official deposits public funds, together with any other information the State Treasurer may require by rule.

(3) If a public official changes a depository in which the public official deposits public funds, the public official shall report the information regarding the change that is required by rule or required under subsection (2) of this section to the State Treasurer within three business days after the effective date of the change. [Formerly 295.055; 2009 c.821 §3; 2010 c.101 §4]

**295.008 Conditions for acting as custodian or depository.** (1)(a) An insured institution, trust company or credit union may not be a custodian under ORS 295.001 to 295.108 unless the insured institution, trust company or credit union certifies in writing to the State Treasurer that the insured institution, trust company or credit union will furnish the reports required under ORS 714.075 to the Director of the Department of Consumer and Business Services.

(b) The State Treasurer may approve one or more insured institutions, trust companies or credit unions to serve as custodians. The State Treasurer shall promptly notify all depositories of the approval of an insured institution, trust company or credit union to serve as a custodian.

(2) An insured institution, trust company or credit union may not be a depository under ORS 295.001 to 295.108 unless the insured institution, trust company or credit union:

(a) Certifies in writing to the State Treasurer that the insured institution, trust company or credit union will furnish to the Director of the Department of Consumer and Business Services by the time the director specifies:

(A) The reports required under ORS 714.075; and

(B) Any other information the director considers necessary to determine whether to advise the State Treasurer to order a depository to increase the depository's collateral under ORS 295.018;

(b) Except as provided in subsection (4) of this section, enters into a pledge agreement; and

(c) Complies with subsection (3) of this section.

(3) An insured institution, trust company or credit union that intends to become a depository shall file with the State Treasurer an initial written report that an officer of the insured institution, trust company or credit union has signed or authenticated and that sets forth, as of the date the insured institution, trust company or credit union intends to commence acting as a depository:

(a) The estimated total amount of public funds that will be on deposit with the insured institution, trust company or credit union;

(b) The estimated net worth of the insured institution, trust company or credit union;

(c) The amount and nature of the collateral that the insured institution, trust company or credit union will deposit with a custodian to collateralize the public funds deposits; and

(d) The identity of the custodian.

(4) An insured institution, trust company or credit union may be a depository under ORS 295.001 to 295.108 without entering into a pledge agreement or complying with subsection (3) of this section if the insured institution, trust company or credit union does not hold any uninsured public funds deposits. The provisions of ORS 295.006, 295.013, 295.015, 295.018, 295.037, 295.038 and 295.061 do not apply to an insured institution, trust company or credit union that is a depository under this subsection.

(5) An insured institution, trust company or credit union that merges with, acquires all the assets of, acquires ownership of or otherwise becomes a successor entity to a depository that has entered into a pledge agreement must execute a new pledge agreement or provide evidence satisfactory to the State Treasurer that the successor insured institution, trust company or credit union has assumed all of the depository's duties and obligations under the existing pledge agreement. An insured institution, trust company or credit union that fails to enter into a pledge agreement or provide evidence that the insured institution, trust company or credit union has assumed the existing pledge agreement within the time specified by the State Treasurer shall be treated as a depository that holds uninsured public funds and that has failed to pledge adequate collateral under ORS 295.031. [2005 c.112 §3; 2007 c.871 §16; 2009 c.821 §4; 2010 c.101 §5]

**295.009 Conditions under which State Treasurer may decline to accept credit union as credit union depository; State Treasurer withdrawal from pledge agreement.** (1) The State Treasurer may decline to accept from a credit union the certification and pledge agreement necessary to qualify the credit union as a credit union depository under ORS 295.008 unless:

(a) At the time the credit union submits the certification and pledge agreement, at least four other credit unions have each submitted:

(A) A certification and pledge agreement necessary to qualify as a credit union depository under ORS 295.008; and

(B) A signed statement from a public official that indicates that the public official intends to deposit more than \$250,000 of public funds with the credit union if the credit union qualifies as a credit union depository; and

(b) The State Treasurer receives moneys under the provisions of ORS 295.039 or 295.106 that are sufficient to pay for one year the State Treasurer's initial or continuing expenses related to administering ORS 295.038.

(2)(a) The State Treasurer may withdraw from a pledge agreement that the State Treasurer previously accepted from a credit union under ORS 295.008 if fewer than five credit unions are qualified as credit union depositories under ORS 295.001 to 295.108 during any period of 180 days or longer.

(b) Except as provided in ORS 295.008 (4), a credit union that is a party to a pledge agreement from which the State Treasurer withdraws in accordance with paragraph (a) of this subsection does not qualify as a credit union depository under ORS 295.001 to 295.108. Within 10 business days after the State Treasurer notifies the credit union that the State Treasurer has withdrawn from the pledge agreement, the credit union shall return all uninsured public funds deposits that the credit union holds to the public official that deposited the public funds. [2010 c.101 §13a]

**295.010** [Amended by 1953 c.352 §3; 1957 c.172 §1; 1965 c.169 §1; repealed by 1967 c.451 §32]

**295.011** [2005 c.112 §4; 2005 c.443 §32c; 2007 c.783 §124; renumbered 295.101 in 2007]

**295.012 State Treasurer rule setting maximum liability for credit union depositories.**

For any period of time during which fewer than 10 credit unions are subject to pledge agreements with the State Treasurer and a custodian under ORS 295.008, the State Treasurer, notwithstanding ORS 295.001 (12), by rule may set the maximum liability for a credit union depository at 20 percent of the greater of:

(1) All uninsured public funds deposits the credit union depository holds, as shown on the date of the credit union depository's most recent treasurer's report; or

(2) The average of the balances of all uninsured public funds deposits the credit union depository holds, as shown on the credit union depository's last two immediately preceding treasurer reports. [2010 c.101 §13b]

**295.013 Custodian's receipt; duties of custodian.** (1) When a custodian receives securities from a depository, the custodian shall issue to the State Treasurer, with a copy to the depository, a custodian's receipt that describes the securities.

(2) A custodian shall:

(a) Maintain an accurate inventory of the securities of each depository described in the custodian's receipts that the custodian issues to the State Treasurer and adjust the inventory to reflect withdrawals and substitutions of securities that the custodian previously inventoried.

(b) Appraise the value of the securities added to and withdrawn from the depository's inventory and appraise the value of the depository's entire inventory on the last day of each month and at such other times as the State Treasurer directs.

(c) Provide a monthly report to the State Treasurer that lists the securities each depository has pledged and that sets forth the value of each security and of the entire inventory of securities the depository has pledged.

(d) Notify a depository in writing within one business day after the custodian determines that the value of the securities the custodian holds for the depository is less than the minimum collateral requirement for the depository.

(e) Notify the State Treasurer in writing within one business day after the custodian learns that a depository failed to increase the value of the depository's securities within the time required under ORS 295.015 (3)(b).

(f) Notify the State Treasurer in writing if a depository increases the value of the depository's securities to an adequate amount after the depository receives notice under paragraph (d) of this subsection.

(g) Notify the State Treasurer within one business day after the custodian determines that a bond in the inventory of a depository no longer meets the rating requirements described in ORS 295.001 (19)(c) or (d). [Formerly 295.035; 2009 c.821 §5; 2010 c.101 §6]

**295.015 Maintenance of securities by depository.** Except as provided in ORS 295.018:

(1)(a) A depository throughout the period during which the depository possesses uninsured public funds deposits shall maintain on deposit with the depository's custodian, at the depository's own expense, securities that have a value at least equal to the depository's minimum collateral requirement and as otherwise prescribed in ORS 295.001 to 295.108. The depository shall deposit the collateral with the depository's custodian and the depository and the custodian shall clearly mark the collateral as security for public funds deposited in accordance with ORS 295.001 to 295.108.

(b) For purposes of this section, when pledged as collateral for public funds deposits, loans described in ORS 295.001 (19)(f) must be discounted to 75 percent of the unpaid principal balance owing on the loan from time to time, or to a lower value that the State Treasurer determines from time to time.

(c) A bond anticipation note that is pledged as collateral for public funds deposits and for which there is no readily determinable market value must be discounted to 75 percent of the unpaid principal balance owing on the note from time to time, or to a lower value that the State Treasurer determines from time to time.

(2) A depository may deposit other eligible securities with the depository's custodian and withdraw from deposit securities that the depository pledged to secure deposits of public funds if the remaining securities have a value not less than the depository's minimum collateral requirement. The State Treasurer shall execute releases and surrender custodian's receipts that are appropriate to effect substitutions and withdrawals of matured and excess pledged securities.

(3) If a depository's minimum collateral requirement increases because the depository ceases to be a well capitalized depository as reflected in the depository's last treasurer report, call report or other public filing, or if the depository receives notice from the depository's custodian under ORS 295.013 (2)(d) or from the State Treasurer:

(a) Within three business days after the date on which the depository's minimum collateral requirement increases, the depository shall notify the depository's custodian, the Director of the Department of Consumer and Business Services and the State Treasurer in writing that the depository's minimum collateral requirement has increased, setting forth the depository's new

minimum collateral requirement and the depository's plan for increasing the depository's pledged collateral to the minimum collateral requirement; and

(b) Within five business days after the date on which the depository's minimum collateral requirement increases, or within a longer period approved by the State Treasurer and the director, the depository shall, in accordance with the plan approved by the State Treasurer and the director, tender to the depository's custodian additional securities that have a value sufficient to increase the total value of the depository's securities pledged as collateral for public funds deposits to the depository's new minimum collateral requirement.

(4) If a depository's minimum collateral requirement decreases because the depository becomes a well capitalized depository, or because the State Treasurer no longer requires the depository to pledge additional collateral under ORS 295.018, the depository may:

(a) Notify the depository's custodian and the State Treasurer in writing that the depository's minimum collateral requirement has decreased, setting forth the depository's new minimum collateral requirement; and

(b) With the written approval of the State Treasurer, withdraw from the depository's custodian securities that exceed the depository's new minimum collateral requirement.

(5) The State Treasurer shall act upon requests for releases and withdrawals of securities under subsections (2) and (4)(b) of this section within three business days after receiving each request. [1967 c.451 §2; 1975 c.515 §3; 2007 c.871 §17; 2009 c.821 §6; 2010 c.101 §7]

**295.018 Increase in required collateral of depository; notifications; failure to increase collateral.** (1)(a) The State Treasurer may require a depository, during any period when the depository possesses uninsured public funds deposits, to maintain on deposit with the depository's custodians securities that have a value not less than 110 percent of the greater of:

(A) All uninsured public funds the depository holds; or

(B) The average of the balances of uninsured public funds the depository holds, as shown on the last two immediately preceding treasurer reports.

(b) In consultation with the Director of the Department of Consumer and Business Services, the State Treasurer may permit a depository to increase the depository's collateral as required under paragraph (a) of this subsection over a period of time the State Treasurer specifies or may require a depository to increase the depository's collateral to an amount that is less than the amount specified in paragraph (a) of this subsection.

(2) The State Treasurer shall order an increase in collateral under subsection (1) of this section if the director so advises. If the depository is a national bank, a federally chartered savings bank, a savings and loan association or a federal credit union, in giving advice to the State Treasurer the director may rely exclusively on information that the federal regulatory agencies and the bank, savings bank, association or federal credit union provide to the director on forms the director prescribes. As a condition of being analyzed and reviewed by the director, a national bank, a federally chartered savings bank, a savings and loan association or a federal credit union shall agree and consent to provide the director with accurate, pertinent and timely information.

(3) If the State Treasurer orders a depository to increase the depository's collateral under subsection (1) of this section, the State Treasurer shall give notice of the order to the director and the custodian of the depository within one business day after issuing the order.

(4) The director's failure to inform the State Treasurer of the condition of any depository does not give a public depositor any right or impose liability on the director. The State Treasurer

is not liable to a public depositor or to a depository for increasing or not increasing the collateral requirement as authorized in subsection (1) of this section.

(5) A depository that the State Treasurer notifies of the increased collateral requirement shall:

(a) Within three business days after receiving the notice, submit to the State Treasurer and the director the depository's plan to increase the depository's collateral to the level the State Treasurer requires under subsection (1) of this section; and

(b) Within five business days after receiving approval of the plan the depository submitted under paragraph (a) of this subsection, or within a longer period approved by the State Treasurer and the director, increase the depository's collateral to the level the State Treasurer requires under subsection (1) of this section and notify the State Treasurer and the director that the depository has complied by supplying copies of the custodian's receipts for, or statement of activity showing, the increased collateral.

(6)(a) If the State Treasurer does not receive the notice required in subsection (5)(b) of this section within the applicable period under subsection (5)(b) of this section, the State Treasurer shall immediately send, to each public official who has notified the State Treasurer that the public official has public funds on deposit in that depository, notice that the depository has failed to comply.

(b) If, after giving notice as required by paragraph (a) of this subsection, the State Treasurer receives notice that the depository has complied with the increased collateral requirements, the State Treasurer shall notify each public official that the State Treasurer notified under paragraph (a) of this subsection that the depository has complied.

(7) A depository that does not comply with subsection (5) of this section may not accept additional uninsured public funds deposits.

(8) Records the State Treasurer receives or compiles that contain the collateralization requirement for a depository and the amount of collateral a custodian holds are exempt from public disclosure unless the public interest requires disclosure in the particular instance.

(9) The State Treasurer may require a depository that must increase the depository's collateral under subsection (5) of this section to file the reports required under ORS 295.061 (3). [1975 c.515 §2; 1981 c.440 §1; 1985 c.762 §182; 1987 c.373 §§28a,28b; 1987 c.554 §1; 1989 c.171 §41; 1991 c.327 §1; 2007 c.871 §18; 2009 c.821 §7; 2010 c.101 §8]

**295.020** [Repealed by 1967 c.451 §32]

**295.022 Collateral not required for deferred compensation funds.** Notwithstanding any other provision of this chapter, when a bank, mutual savings bank or savings and loan association receives moneys of the Deferred Compensation Fund established under ORS 243.411 from the state for deposit or investment, the institution shall not have to maintain the collateral required under this chapter for those deferred compensation moneys. [1977 c.721 §15; 1997 c.179 §27]

**295.025** [1967 c.451 §3; 1973 c.288 §3; 1999 c.48 §1; 2003 c.405 §6; 2007 c.871 §19; renumbered 295.002 in 2007]

**295.027** [2005 c.58 §1; 2007 c.871 §20; renumbered 295.004 in 2007]

**295.030** [Repealed by 1967 c.451 §32]

**295.031 Notice to public officials regarding adequacy of collateral.** (1) Within three business days after the State Treasurer receives notice from a custodian pursuant to ORS 295.013 (2)(e), receives information from the Director of the Department of Consumer and Business Services or other sources under ORS 295.071 or 295.073, or otherwise receives information that indicates that a depository has failed to pledge adequate collateral with the depository's custodian, the State Treasurer shall send written notice of the failure to each public official who has uninsured public funds on deposit in the depository that is the subject of the notice from the custodian or of the information the State Treasurer received.

(2) Within five business days after the State Treasurer receives notice from a custodian pursuant to ORS 295.013 (2)(f) that indicates that a depository has pledged adequate collateral with the depository's custodian, the State Treasurer shall send written notice to each public official who was notified under subsection (1) of this section stating that the depository has adequate collateral. [2007 c.871 §2; 2009 c.821 §8; 2010 c.101 §9]

**295.034 Withdrawal of inadequately collateralized funds.** (1) Within 15 business days after a public official receives a notice from the State Treasurer pursuant to ORS 295.018 (6)(a), 295.031 (1) or 295.061 (4)(a), the public official shall withdraw from the depository to which the notice applies all uninsured public funds deposits.

(2) If a public official receives a notice from the State Treasurer pursuant to ORS 295.018 (6)(a), 295.031 (1) or 295.061 (4)(a), beginning 15 business days after the public official receives the notice, the public official may not deposit into the depository to which the notice applies any public funds that, as a result of the deposit, would be uninsured public funds deposits. The prohibition on deposits continues until the public official receives notice under ORS 295.018 (6)(b), 295.031 (2) or 295.061 (4)(b) indicating that the depository is in compliance with ORS 295.013, 295.018 or 295.061, as applicable.

(3) Except as required by any applicable law or regulation, a depository may not impose an early withdrawal penalty or a forfeiture of interest with respect to a withdrawal that a public official makes pursuant to this section. [2007 c.871 §3; 2009 c.821 §9; 2010 c.101 §10]

**295.035** [1967 c.451 §4; 2007 c.871 §21; renumbered 295.013 in 2007]

**295.037 Distribution of collateral after loss in bank depository; assessments.** (1) The deposit of securities by a bank depository with its custodian pursuant to ORS 295.001 to 295.108 constitutes consent by the bank depository to the disposition of the securities in accordance with this section.

(2) When a loss has occurred in a bank depository, the bank depository shall as soon as possible make payment to the proper public officials of all funds subject to the loss, pursuant to the following procedures:

(a) Immediately upon occurrence of the loss, the State Treasurer shall take possession of the securities segregated as collateral for uninsured public funds deposits held by the closed depository and begin to liquidate as much of the collateral as the State Treasurer estimates is necessary, based upon the most recent information available to the State Treasurer on the amount of uninsured public funds deposits held by the closed depository, for distribution of the proceeds among public officials entitled to the proceeds as provided in this section.

(b) The Director of the Department of Consumer and Business Services or the receiver for the closed depository shall, within 20 days after the issuance of a restraining order or taking possession of any bank depository, ascertain the amount of public funds on deposit in the bank depository as disclosed by its records and the amount of the public funds covered by deposit insurance or deposit guaranty bonds and certify the amounts to the State Treasurer and to each public official who has public funds on deposit in the bank depository.

(c) Each public official who has uninsured public funds on deposit in the bank depository shall, within 10 days after receipt of the certification from the Director of the Department of Consumer and Business Services or the receiver, furnish to the State Treasurer verified statements of the uninsured public funds that the public official has on deposit in the bank depository.

(3) Upon receipt of the certification from the Director of the Department of Consumer and Business Services or the receiver and the verified statements from the public officials who have uninsured public funds on deposit in the bank depository, the State Treasurer shall ascertain and fix the amount of public funds on deposit in the bank depository, plus interest to the date the funds are distributed to the public official at the rate the bank depository agreed to pay on the funds, minus any amount covered by deposit insurance or deposit guaranty bonds.

(4) After making the calculation described in subsection (3) of this section, the State Treasurer shall assess the amount of uninsured public funds against all bank depositories, as follows:

(a) First, against the closed depository, to the extent of the full value of the proceeds realized from the liquidation of its collateral by the State Treasurer under subsection (2) of this section, plus the treasurer's estimate of the amount of proceeds expected to be received from the collateral still to be liquidated by the State Treasurer; and

(b) Second, against all of the other bank depositories, on a proportionate basis determined as provided in subsection (5) of this section. The amount assessed against each other bank depository under this paragraph may not exceed the maximum liability of the bank depository.

(5) For purposes of subsection (4) of this section, the proportionate share of each of the other bank depositories shall be determined by:

(a) Averaging the total amounts of all uninsured public funds deposits reported on the bank depository's last two treasurer reports;

(b) Averaging the aggregate total amounts of all uninsured public funds deposits reported on the last two treasurer reports of all of the bank depositories; and

(c) Dividing the result of the calculation performed under paragraph (a) of this subsection by the result of the calculation performed under paragraph (b) of this subsection.

(6) Notwithstanding the assessment provisions of subsection (4) of this section, the State Treasurer shall assess the amount of uninsured public funds deposits of a public official only against the closed depository, and not against other bank depositories, if the public official:

(a) Was given appropriate notice about the closed depository by the State Treasurer under ORS 295.018 (6)(a), 295.031 (1) or 295.061 (4)(a) and did not comply with ORS 295.034; or

(b) Failed to timely comply with the requirements of ORS 295.006 and, as a result of the failure to timely comply, did not receive appropriate notice about the closed depository from the State Treasurer under ORS 295.018 (6)(a), 295.031 (1) or 295.061 (4)(a).

(7) The assessment by the State Treasurer against the closed depository shall be payable immediately from the proceeds of the collateral delivered to the State Treasurer. Assessments made by the State Treasurer against the other bank depositories are payable on the fifth business

day following demand. If any bank depository fails to pay its assessment, the State Treasurer shall take possession of and liquidate the securities segregated as collateral for uninsured public funds deposits held by the bank depository or so much of the securities as is needed to pay the bank depository's assessment.

(8) The State Treasurer shall distribute the amounts received by the State Treasurer from the assessments, to the extent that they do not exceed the total amount of uninsured public funds deposits and accrued interest claimed by the public officials, among the public officials entitled to the proceeds in proportion to the public officials' respective claims.

(9) If the amounts received by the State Treasurer from the assessments are inadequate, after all other available sources are applied, to meet the total claims of the public officials for the amount of their uninsured public funds deposits, the public officials may make claims against the closed depository as general creditors, but not against any bank depository other than the closed depository.

(10)(a) If the final amount of proceeds from the liquidation of collateral received by the State Treasurer from a closed depository exceeds the amount of the assessment against the closed depository under subsection (4)(a) of this section, the State Treasurer shall pay the amount of the excess to the closed depository.

(b) If the final amount of proceeds from the liquidation of collateral received by the State Treasurer from other bank depositories exceeds the amount of the assessment against the other bank depositories under subsection (4)(b) of this section, the State Treasurer shall pay the excess to the other bank depositories in proportion to the amounts paid to the State Treasurer under their assessments.

(c) If the final amount of proceeds from the liquidation of collateral received by the State Treasurer from a bank depository, other than the closed depository, under subsection (7) of this section exceeds the amount of the assessment against the bank depository, the State Treasurer shall pay the excess to the bank depository.

(11) The prohibition on transfers of assets set forth in ORS 711.410 does not apply to assessments, payments, transfers or sales of securities made pursuant to this section. [2007 c.871 §4; 2009 c.821 §10]

**295.038 Distribution of collateral after loss in credit union depository; assessments.** (1) A credit union depository's deposit of securities with a custodian under ORS 295.001 to 295.108 constitutes the credit union depository's consent to the disposition of the securities in accordance with this section.

(2) If a loss occurs in a credit union depository, the credit union depository shall, as soon as possible, pay to the proper public officials all funds subject to the loss in accordance with the following procedures:

(a) Immediately after the loss occurs, the State Treasurer shall take possession of securities that the closed depository's custodian has segregated as collateral for uninsured public funds deposits of the closed depository. The State Treasurer shall immediately liquidate as much of the collateral as the State Treasurer estimates is necessary, based on the most recent information available to the State Treasurer concerning the amount of uninsured public funds the credit union depository holds, and distribute the proceeds among public officials entitled to the proceeds as provided in this section.

(b) The Director of the Department of Consumer and Business Services or a receiver shall, within 20 days after issuing a restraining order or taking possession of the credit union

depository, ascertain from the credit union depository's records the amount of public funds on deposit in the credit union depository and the amount of public funds that are covered by deposit insurance or deposit guaranty bonds. The director or the receiver shall certify the amounts to the State Treasurer and to each public official who has public funds on deposit in the credit union depository.

(c) Within 10 days after receiving the certification from the director or the receiver, a public official who has public funds on deposit in the credit union depository shall furnish to the State Treasurer verified statements of the public funds that the public official has on deposit in the credit union depository.

(3) When the State Treasurer receives the certification from the director or the receiver and the verified statements from the public officials who have public funds on deposit in the credit union depository, the State Treasurer shall ascertain and fix the amount of public funds on deposit in the credit union depository, plus interest to the date the funds are distributed to the public official at the rate the credit union depository agreed to pay on the funds, minus any amount that deposit insurance or deposit guaranty bonds cover.

(4) After making the calculation described in subsection (3) of this section, the State Treasurer shall assess the amount of uninsured public funds against all credit union depositories as follows:

(a) First, against the credit union depository that suffered the loss, to the extent of the full value of the proceeds from the State Treasurer's liquidation of the credit union depository's collateral under subsection (2) of this section, plus the State Treasurer's estimate of the amount of proceeds the State Treasurer expects to receive from collateral the State Treasurer has not yet liquidated; and

(b) Second, against all other credit union depositories on a proportionate basis determined as provided in subsection (5) of this section. The amount the State Treasurer assesses against another credit union depository may not exceed the credit union depository's maximum liability.

(5) For purposes of subsection (4) of this section, the State Treasurer shall determine the proportionate share of each of the other credit union depositories by:

(a) Averaging, for each credit union depository, the total amounts of all uninsured public funds deposits the credit union depository reported on the credit union depository's last two treasurer reports;

(b) Averaging the aggregate total amounts of all uninsured public funds deposits all credit union depositories reported on the credit union depositories' last two treasurer reports; and

(c) Dividing the result of the calculation performed under paragraph (a) of this subsection by the results of the calculation performed under paragraph (b) of this subsection.

(6) Notwithstanding the assessment provisions of subsection (4) of this section, the State Treasurer shall assess the amount of a public official's uninsured public funds deposits only against the closed depository and not against other credit union depositories, if the public official:

(a) Received appropriate notice about the closed depository from the State Treasurer under ORS 295.018 (6)(a) or 295.031 (1) and did not comply with ORS 295.034; or

(b) Failed to timely comply with the requirements of ORS 295.006 and, as a result of failing to timely comply, did not receive appropriate notice about the closed depository from the State Treasurer under ORS 295.018 (6)(a), 295.031 (1) or 295.061 (4)(a).

(7) Assessments the State Treasurer makes against the closed depository are payable immediately from the proceeds of the collateral delivered to the State Treasurer. Assessments the

State Treasurer makes against other credit union depositories are payable on the fifth business day following demand. If a credit union depository fails to pay an assessment, the State Treasurer shall take possession of and liquidate the securities the credit union depository segregated as collateral for uninsured public funds deposits that the credit union depository holds, or shall liquidate as much of the securities as is necessary to pay the credit union depository's assessment.

(8) The State Treasurer shall distribute the amounts the State Treasurer receives from the assessments among the public officials entitled to the proceeds in proportion to the public officials' respective claims, to the extent that the proceeds do not exceed the total amount of uninsured public funds deposits that the public officials claim.

(9) If, after all other available sources are applied, the amounts the State Treasurer receives from the assessments are inadequate to meet the total claims of the public officials to uninsured public funds deposits, the public officials may make claims against the closed depository as general creditors, but not against a credit union depository other than the closed depository.

(10)(a) If the final amount of proceeds the State Treasurer receives from the liquidation of collateral from a closed depository exceeds the amount of the assessment against the closed depository under subsection (4)(a) of this section, the State Treasurer shall pay the amount of the excess to the closed depository.

(b) If the final amount of proceeds the State Treasurer receives from the liquidation of collateral from other credit union depositories exceeds the amount of the assessment against the other credit union depositories under subsection (4)(b) of this section, the State Treasurer shall pay the excess to the other credit union depositories in proportion to the amounts the other credit union depositories paid in assessments to the State Treasurer.

(c) If the final amount of proceeds the State Treasurer receives from the liquidation of collateral from a credit union depository other than the closed depository under subsection (7) of this section exceeds the amount of the assessment against the credit union depository, the State Treasurer shall pay the excess to the credit union depository.

(11) The prohibition on transfers of assets set forth in ORS 711.410 does not apply to assessments, payments, transfers or sales of securities made in accordance with this section. [2010 c.101 §12]

### **295.039 State Treasurer acceptance of moneys for purposes of administering ORS**

**295.038.** (1) The State Treasurer may accept moneys from any public or private source, including a credit union or an association of credit unions, for the purpose of paying initial or continuing expenses related to administering the provisions of ORS 295.038.

(2) The State Treasurer shall deposit moneys the State Treasurer receives under this section into the Miscellaneous Receipts Account established for the State Treasurer in the General Fund. Notwithstanding the provisions of ORS 295.106, moneys the State Treasurer receives under this section are continuously appropriated to the State Treasurer for the purpose of paying the State Treasurer's initial or continuing expenses related to administering ORS 295.038. The State Treasurer shall expend the moneys in accordance with the terms and conditions upon which the moneys were made available. [2010 c.101 §13; 2011 c.667 §1]

**295.040** [Amended by 1959 c.330 §1; 1963 c.128 §1; 1965 c.629 §1; repealed by 1967 c.451 §32]

**295.041 Subrogation rights of State Treasurer.** When the State Treasurer distributes the proceeds of assessments and liquidated collateral to a public official under ORS 295.037 or 295.038, the State Treasurer is subrogated to all of the public official's right, title and interest against the closed depository, and shares in any distribution of the depository's assets ratably with other depositors. Sums received from a distribution must be paid to the public official to the extent of any unpaid net deposit liability. The State Treasurer shall pay the remaining balance to the depositories against which the assessments were made, pro rata in proportion to the assessments each depository paid. However, the closed depository may not share in a distribution of the balance remaining. The State Treasurer may charge expenses that the State Treasurer incurs in enforcing the State Treasurer's rights under this section as provided in ORS 295.106. The State Treasurer shall submit a claim for expenses to the depository, and if the charges are thereafter paid to the State Treasurer, they shall be treated as a liquidation expense of the closed depository. [2007 c.871 §6; 2009 c.821 §11; 2010 c.101 §14]

**295.045** [1967 c.451 §5; repealed by 2007 c.871 §35]

**295.046 Limitation on depository acceptance of public funds from single public official; exceptions.** (1) A depository may not accept a deposit of public funds if the deposit would cause the aggregate of public funds deposits that any one public official makes in the depository to exceed at any time the depository's net worth. If a depository's net worth is reduced, the depository may allow public funds on deposit in excess of the reduced net worth to remain if the depository deposits with the depository's custodian eligible securities valued at market value in an amount at least equal to the amount of the excess public funds deposits. If the additional securities required by this section are not deposited with the custodian, the depository shall permit the public official to withdraw deposits prior to maturity, including accrued interest, in accordance with applicable statutes and governmental regulations.

(2) The limitations of subsection (1) of this section do not apply to:

(a) Public funds deposits a depository holds in a certificate of deposit or time deposit under ORS 295.004 (1); or

(b) Public funds that an Oregon depository arranges to deposit into an insured deposit account under ORS 295.004 (2). [2007 c.871 §10; 2009 c.821 §12; 2010 c.101 §15; 2011 c.477 §§5,6; 2013 c.1 §26]

**295.048 Limitations on aggregate uninsured public funds deposits; notice; exceptions.** (1) Notwithstanding ORS 295.046, a depository may not permit the aggregate of uninsured public funds deposits on deposit with the depository from all public officials to exceed at any time the lesser of:

(a) 100 percent of the value of the depository's net worth, if the depository is an undercapitalized depository;

(b) 150 percent of the value of the depository's net worth, if the depository is an adequately capitalized depository;

(c) 200 percent of the value of the depository's net worth, if the depository is a well capitalized depository;

(d) For a bank depository, 30 percent of the total aggregate uninsured public funds deposits of all public officials in all bank depositories as reported in the most recent notice the bank depository received from the State Treasurer; or

(e) For a credit union depository, 30 percent of the total aggregate uninsured public funds deposits of all public officials in all credit union depositories as reported in the most recent notice the credit union depository received from the State Treasurer.

(2) The State Treasurer shall notify each bank depository or credit union depository and the depository's custodian of the total aggregate uninsured public funds deposits of all public officials in all bank depositories or credit union depositories, as appropriate, based on the most recently submitted treasurer reports. The State Treasurer shall give the notification required by this subsection by the last day of the month in which the depositories are required to submit a treasurer report.

(3) If a depository's aggregate of uninsured public funds deposits exceeds the amount set forth in subsection (1) of this section, the depository shall, within three business days after receiving notice from the State Treasurer, cease accepting deposits of uninsured public funds.

(4) Notwithstanding subsections (1) and (3) of this section:

(a) A depository may accept and hold uninsured public funds deposits in excess of the limits specified in subsection (1) of this section if the State Treasurer, upon good cause shown, approves the depository's request to hold uninsured public funds in excess of the limits specified in subsection (1) of this section for a period not exceeding 90 days and eligible securities are deposited with the depository's custodian as collateral in an amount at least equal to the amount of the uninsured public funds deposits that exceeds the limits specified in subsection (1) of this section. Upon the expiration of the 90-day period, if the depository does not comply with the limits specified in subsection (1) of this section, the depository shall, within three business days after receiving notice from the State Treasurer, cease accepting deposits of public funds.

(b) The limits specified in subsection (1) of this section do not apply to public funds deposits a depository holds in a certificate of deposit or time deposit under ORS 295.004 (1) or public funds that an Oregon depository arranges to deposit into an insured deposit account under ORS 295.004 (2).

(c) A well capitalized depository or an adequately capitalized depository may accept and hold uninsured public funds deposits that exceed the limit specified in subsection (1)(d) or (e) of this section if eligible securities are deposited with the depository's custodian as collateral in an amount at least equal to the amount of the uninsured public funds deposits that exceed the limit specified in subsection (1)(d) or (e) of this section.

(5) If the State Treasurer notifies a depository that it must cease accepting deposits of public funds under subsection (3) or (4) of this section, the State Treasurer may also notify public officials who have deposited public funds in the depository that within 15 business days after the public official receives the notice from the State Treasurer, the public official must withdraw from the depository to which the notice applies all public funds deposits that exceed the limit specified in subsection (1)(d) or (e) of this section. A public official who is notified by the State Treasurer under this subsection must begin to withdraw funds as specified in the notice. Except as required by any applicable law or regulation, a depository may not impose an early withdrawal penalty or a forfeiture of interest with respect to a withdrawal made pursuant to this subsection. [2007 c.871 §11; 2009 c.821 §13; 2010 c.101 §16; 2011 c.25 §§1,2; 2011 c.477 §§7,8; 2011 c.667 §§3,4]

**295.050** [Repealed by 1967 c.451 §32]

**295.053 Custodian duties when depository ceases holding uninsured public funds; securities.** (1) If a depository ceases holding uninsured public funds deposits, the depository's custodian shall continue to hold the depository's pledged securities as collateral pursuant to ORS 295.001 to 295.108. Unless the State Treasurer directs that the custodian hold the depository's pledged securities for a longer period, the custodian shall hold the depository's pledged securities for a period of 30 days.

(2) If any of a depository's pledged securities mature during the period described in subsection (1) of this section, the depository shall pledge substitute securities that the depository's custodian shall hold until the period expires.

(3) If a depository has not held uninsured public funds deposits during the period described in subsection (1) of this section, at the end of the period the depository's custodian shall tender the depository's pledged securities to the depository. [2007 c.871 §13; 2009 c.821 §14; 2010 c.101 §17]

**295.055** [1967 c.451 §6; 2007 c.871 §22; renumbered 295.006 in 2007]

**295.056 Liability of public officials for loss of public funds.** When public funds deposits are made in accordance with ORS 295.001 to 295.108, a public official may not be held liable for any loss of public funds that results from the failure or default of any depository without fault or neglect on the public official's part or on the part of the public official's officers or employees. [2007 c.871 §12]

**295.060** [Repealed by 1967 c.451 §32]

**295.061 Treasurer reports; filing; notification of changes; failure to file reports.** (1) On or before the date on which each treasurer report is due, each depository shall file the depository's treasurer report with the depository's custodian and with the State Treasurer.

(2) Each depository that files reports with the State Treasurer under subsection (1) of this section shall notify the State Treasurer in writing or by electronic means within three business days of:

(a) The date on which the depository's net worth is reduced by an amount greater than 10 percent of the amount shown as the depository's net worth on the most recent report the depository submitted pursuant to subsection (1) of this section; or

(b) The date on which the depository ceases to be well capitalized and becomes adequately capitalized or undercapitalized, or ceases to be adequately capitalized and becomes undercapitalized.

(3) An adequately capitalized depository or an undercapitalized depository shall report to the depository's custodian and to the State Treasurer at least once each week the actual amount of uninsured public funds deposits the depository holds.

(4)(a) If a depository fails to file the reports or provide the notices required under this section or fails to file the notices or reports required under ORS 295.018, the State Treasurer shall send a notice to each public official who has uninsured public funds on deposit in the depository that the depository failed to comply.

(b) If, after giving notice under paragraph (a) of this subsection, the State Treasurer receives notice that the depository has filed the required reports or provided the required notices, the State

Treasurer may notify each public official who was notified under paragraph (a) of this subsection that the depository has complied.

(5) If a depository fails to comply with this section, the depository shall, within three business days after receiving notice from the State Treasurer, cease accepting deposits of uninsured public funds. [2007 c.871 §7; 2009 c.821 §15; 2010 c.101 §18]

**295.065** [1967 c.451 §7; 1973 c.378 §2; 1975 c.515 §4; repealed by 2007 c.871 §35]

**295.070** [Repealed by 1967 c.451 §32]

**295.071 Investigation by regulatory bodies other than State Treasurer.** (1) The State Treasurer may request that the Director of the Department of Consumer and Business Services or another state or federal agency with primary regulatory authority over a financial institution that is a depository or that applies to become a depository investigate and report to the State Treasurer concerning the condition of the financial institution.

(2) The financial institution examined under this section shall pay the expenses of the investigation and report.

(3) In lieu of an investigation and report, the State Treasurer may rely upon information that the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration, the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Board of Governors of the Federal Reserve System or a state bank, thrift or credit union regulatory agency makes available to the State Treasurer or to the Director of the Department of Consumer and Business Services. [2007 c.871 §8; 2010 c.101 §19]

**295.073 Report to State Treasurer of actions that reduce net worth of depository.** The Director of the Department of Consumer and Business Services shall advise the State Treasurer in writing of any action the director takes or directs a depository to take that will reduce the depository's net worth by more than 10 percent as shown on the most recent treasurer report submitted pursuant to ORS 295.061. [2007 c.871 §9; 2009 c.821 §16; 2010 c.101 §20]

**295.075** [1965 c.629 §3; repealed by 1967 c.451 §32]

**295.080** [Amended by 1959 c.330 §2; 1963 c.520 §2; 1967 c.335 §33; repealed by 1967 c.451 §32]

**295.081 Time deposits.** (1) Subject to ORS 295.002, 295.015 and 295.018, a depository may offer in writing to accept from the State Treasurer time deposits in an unlimited amount or in an aggregate amount stated in the offer and to pay interest on the time deposits at rates specified in the offer. The offer shall continue until the depository delivers or mails, by registered or certified mail, notice to the State Treasurer that modifies or withdraws the offer. While the offer continues in effect, the depository must accept in accordance with the terms of the offer time deposits tendered by the State Treasurer.

(2) Funds the State Treasurer deposits on a time basis must be deposited at the highest rate of interest available for the amount and term of the deposit.

(3) The State Treasurer shall establish time deposits so as to make the deposited moneys as productive as possible, and shall exercise the judgment and care that a person of prudence, discretion and intelligence exercises in the management of the person's own affairs, considering the probable income and the probable safety of the moneys deposited and considering the distribution of the deposits among depositories so as to minimize the possibility of loss of moneys. [Formerly 295.115; 2010 c.101 §21]

**295.084 State Treasurer designation of depositories.** The State Treasurer may designate such banks and credit unions within this state as are necessary as depositories for collecting drafts, checks, certificates of deposit and coupons the State Treasurer receives on account of any claim due the state. [Formerly 295.135; 2010 c.101 §22]

**295.085** [1967 c.451 §8; repealed by 2007 c.871 §35]

**295.087** [Formerly 295.145; repealed by 2009 c.821 §31]

**295.090** [Amended by 1959 c.330 §3; repealed by 1967 c.451 §32]

**295.091 Preference in selecting depositories for political subdivisions; apportioning funds; interest.** (1) A public official need not deposit public funds in a depository in a particular locality, but the public official shall give preference to a depository that is qualified to receive the public funds and that is engaged in business at an office within the corporate limits of the public official's political subdivision or public corporation. If more than one local qualifying depository exists, the public official shall apportion the public funds among the local qualifying depositories in a manner that is equitable and in the best interests of the political subdivision or public corporation.

(2) The depositories shall pay interest to the political subdivision or public corporation for deposits evidenced by certificates of deposit or deposits that by agreement may not be withdrawn on less than 30 days' notice, at the rate or rates upon which the governing body of the political subdivision or public corporation and the depository agree.

(3) Interest received on deposits of moneys under this section accrues to and becomes a part of the fund the moneys of which were deposited.

(4) This section does not apply to the State Treasurer. [Formerly 295.155; 2010 c.101 §23]

**295.093 Depositing moneys with treasurer of political subdivision.** Any public official may deposit moneys coming into the hands of the public official in connection with official duties with the treasurer of the political subdivision or public corporation concerned and obtain a receipt therefor. [Formerly 295.165]

**295.095** [1967 c.451 §9; 1969 c.314 §20; 1973 c.378 §3; 1983 c.456 §7; repealed by 1999 c.311 §8]

**295.097 State agency agreements to use electronic commerce for sale of public property, debt collection or other business; State Treasurer approval.** (1) Notwithstanding any provision of ORS 295.001 to 295.108, and subject to subsection (2) of this section, with the written approval of the State Treasurer, a state agency may enter into agreements with third

parties to facilitate through the use of electronic commerce the sale of public property, the collection of amounts owed to a state agency or the transaction of other state agency business.

(2) The State Treasurer may approve an agreement under subsection (1) of this section only if the State Treasurer determines that a depository cannot provide, in a cost-effective manner, the service that is the subject of the proposed agreement.

(3) The State Treasurer may establish procedures, standards and related requirements under ORS 293.875 that the State Treasurer considers necessary to implement this section.

(4) As used in this section, "state agency" means any officer, board, commission, department, division or institution of state government, as that term is defined in ORS 174.111. [2011 c.253 §2]

**295.100** [Repealed by 1967 c.451 §32]

**295.101 Public funds not subject to ORS 295.001 to 295.108.** (1) The following public funds are not subject to the provisions of ORS 295.001 to 295.108:

(a) Funds that are deposited for the purpose of paying principal, interest or premium, if any, on bonds, as defined in ORS 286A.001 and 287A.001, and related costs or securing a borrowing related to an agreement for exchange of interest rates entered into under ORS 286A.110 or 287A.335.

(b) Funds that are invested in authorized investments under provisions of law other than ORS 295.001 to 295.108. Funds invested under ORS 293.701 to 293.857 are invested in authorized investments for purposes of this subsection from the time the funds are transferred by the State Treasurer to a third party under the terms of a contract for investment or administration of the funds that requires such a transfer until the time the funds are returned to the treasurer or paid to another party under the terms of the contract.

(c) Negotiable certificates of deposit purchased by the State Treasurer under ORS 293.736 or by an investment manager under ORS 293.741.

(d) Funds that are held by a public official and are required by federal law or contractual provisions to be collateralized at 100 percent, if the funds are deposited in an account that is separate from other accounts of the public official in a depository, and the public official and the depository have entered into a written agreement that provides a perfected security interest to the public official in collateral valued at an amount at least equal to the amount of funds in the account in a manner substantially similar to a pledge agreement described in ORS 295.001 (15).

(2) Notwithstanding subsection (1) of this section, funds deposited by a custodial officer under ORS 294.035 (3)(d) are subject to the provisions of ORS 295.001 to 295.108. [Formerly 295.011; 2011 c.667 §5]

**295.105** [1967 c.451 §10; 1973 c.438 §1; 1975 c.515 §5; 1983 c.296 §10; 1985 c.762 §183; 1999 c.311 §2; repealed by 2007 c.871 §35]

**295.106 State Treasurer charges; expenses.** The State Treasurer may charge depositories for the State Treasurer's reasonable expenses in connection with the State Treasurer's services, duties and activities under ORS 295.001 to 295.108. The State Treasurer shall deposit all moneys received under this section in the Miscellaneous Receipts Account established in the General Fund for the State Treasurer. Moneys received under this section are continuously appropriated to the State Treasurer to pay the State Treasurer's reasonable expenses in connection with the

State Treasurer's services, duties and activities under ORS 295.001 to 295.108. A depository shall pay to the State Treasurer all fees and other amounts charged under this section or under rules adopted to implement this section. The State Treasurer may withdraw from a pledge agreement with a depository if the depository does not pay the fees and other amounts charged. [2007 c.871 §5; 2010 c.101 §24]

**295.108 State Treasurer rules; form of report.** (1) The State Treasurer shall adopt rules to implement the provisions of ORS 295.001 to 295.108.

(2) The State Treasurer shall design the treasurer report required by ORS 295.061 to minimize the regulatory burden of completing and submitting the report and, to the greatest extent practicable, to make the form of the report and the content required in the report consistent with the information required by the depository's report of condition and income. [2007 c.871 §14; 2010 c.101 §25]

**295.110** [Amended by 1953 c.352 §3; repealed by 1967 c.451 §32]

**295.115** [1967 c.451 §11; 1989 c.319 §1; 2007 c.871 §23; renumbered 295.081 in 2007]

**295.120** [Amended by 1953 c.352 §3; repealed by 1967 c.451 §32]

**295.125** [1967 c.451 §12b; 1981 c.189 §1; 1989 c.319 §2; repealed by 2007 c.871 §35]

**295.130** [Amended by 1953 c.352 §3; repealed by 1967 c.451 §32]

**295.135** [1967 c.451 §13; 1981 c.189 §2; 1991 c.6 §1; renumbered 295.084 in 2007]

**295.140** [Repealed by 1953 c.352 §3]

**295.145** [1967 c.451 §14; renumbered 295.087 in 2007]

**295.150** [Repealed by 1967 c.451 §32]

**295.155** [1967 c.451 §15; 2005 c.22 §225; renumbered 295.091 in 2007]

**295.160** [Repealed by 1967 c.451 §32]

**295.165** [1967 c.451 §16; renumbered 295.093 in 2007]

**295.170** [Repealed by 1967 c.451 §32]

**295.175** [1967 c.451 §30; 1989 c.569 §5; repealed by 2007 c.871 §35]

**295.180** [Repealed by 1967 c.451 §32]

**295.185** [1983 c.456 §6; repealed by 2007 c.871 §35]

**295.190** [Repealed by 1967 c.451 §32]

**295.195 Deposit of funds in foreign country; effect on collateral; report to Legislative Assembly.** (1) Notwithstanding any other provision of this chapter, to the extent estimated to be necessary to fund operations or activities for one biennium of the State of Oregon in a foreign country, the State Treasurer may deposit funds in a financial institution in a foreign country.

(2) When funds are deposited in a financial institution in a foreign country pursuant to subsection (1) of this section, the institution shall not be required to maintain collateral as provided in ORS 295.015. Reasonable and prudent measures to protect the public funds from loss shall be exercised to the extent permitted under the laws of the foreign country.

(3) The State Treasurer shall report to the Legislative Assembly biennially on the amounts of deposits in foreign countries, and the operation and activities funded by such deposits. The report shall be submitted to the offices of the President of the Senate and the Speaker of the House of Representatives and shall be referred by each of them to appropriate standing committees other than committees concerned with budgets of the State Treasurer or the activity or operation so funded. [1983 c.374 §§1,2; 1989 c.399 §1; 2009 c.762 §56; 2015 c.767 §13]

**295.200** [Repealed by 1967 c.451 §32]

**295.205 Accounts in financial institutions outside Oregon; conditions; rules.** (1) Notwithstanding any other law:

(a) The State Treasurer may establish demand deposit accounts in financial institutions outside this state for the purpose of accepting deposits of funds related to state investments in the geographical areas that the financial institutions serve.

(b) Moneys that a financial institution or other entity receives or collects under an agreement to provide loan servicing for a state agency, political subdivision or public corporation may be deposited in accounts in financial institutions outside this state for the purpose of:

(A) Accepting payments of loan principal and interest;

(B) Accepting and holding escrow funds;

(C) Accepting and holding funds required to be held in reserve with or on behalf of the state agency, political subdivision or public corporation; or

(D) Collecting and holding other moneys the financial institution must collect and hold for loan servicing under the agreement before remitting the moneys to the state agency, political subdivision or public corporation or a third party.

(c) Moneys a trustee or escrow agent holds pursuant to a bond indenture, certificate of participation indenture or escrow agreement with a state agency, political subdivision or public corporation in this state that are public funds, as defined in ORS 295.001, may be deposited in accounts in financial institutions outside this state.

(2) The State Treasurer shall establish the demand deposit accounts described in subsection (1)(a) of this section in accordance with rules adopted pursuant to ORS 183.310 to 183.410 that ensure that reasonable and prudent measures are taken to protect state investment funds from loss.

(3) When accounts are established for a state agency, political subdivision or public corporation under subsection (1)(b) or (c) of this section, the state agency, political subdivision or public corporation in the agreement to provide loan servicing or the bond indenture, certificate

of participation indenture or escrow agreement shall ensure that reasonable and prudent measures are taken to protect the moneys in the accounts from loss.

(4) As used in this section, the terms “financial institution outside this state” and “public official” have the meanings given those terms in ORS 295.001. [1993 c.69 §1; 1995 c.259 §5; 1997 c.171 §15; 2007 c.871 §24; 2010 c.101 §26]

**295.210** [Repealed by 1967 c.451 §32]

**295.220** [Repealed by 1967 c.451 §32]

**295.230** [Repealed by 1967 c.451 §32]

**295.240** [Repealed by 1967 c.451 §32]

**295.410** [Repealed by 1967 c.451 §32]

**295.420** [Repealed by 1967 c.451 §32]

**295.430** [Repealed by 1967 c.451 §32]

**295.440** [Amended by 1957 c.171 §1; 1965 c.169 §2; repealed by 1967 c.451 §32]

**295.450** [Repealed by 1967 c.451 §32]

**295.460** [Repealed by 1967 c.451 §32]

**295.470** [Repealed by 1967 c.451 §32]

**295.480** [Repealed by 1967 c.451 §32]

**295.490** [Amended by 1963 c.502 §5; repealed by 1967 c.451 §32]

**295.500** [Repealed by 1967 c.451 §32]

**295.510** [Repealed by 1967 c.451 §32]

**295.520** [Repealed by 1967 c.451 §32]

**295.530** [Repealed by 1967 c.451 §32]

**295.990** [Repealed by 1967 c.451 §32]

**295.991** [1967 c.451 §18; repealed by 1971 c.743 §432]

CHAPTER 296 [Reserved for expansion]

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