

PDP5 Criteria and Procedures for Reducing/Removing Uninsured Public Deposits From a Bank, or Increasing Collateral Requirements, if the Eligible Public Depository Fails to Comply With Minimum Capital Standards or Safety and Soundness Standards. [Sections 11-10.5-107(4)(a)] and [11-10.5-107(4)(b)], C.R.S.]

A. Definitions.

For the purposes of this rule:

1. The "composite CAMELS rating" is the numerical rating assigned by a state or federal banking agency at the conclusion of an examination or visitation.

B. Each eligible public depository (hereinafter "depository") is required to pledge the higher of the amount of eligible collateral required under this paragraph or paragraph C below:

1. If the total capital to risk-weighted asset ratio of a depository is equal to or exceeds ~~8-10~~ percent, the depository shall pledge eligible collateral having a market value at all times in excess of 102 percent of the aggregate of uninsured public deposits held by it. (Well-capitalized)
2. If the total capital to risk-weighted asset ratio of a depository is less than ~~8-10~~ percent but greater than, or equal to ~~7-8~~ percent, the depository shall pledge eligible collateral having a market value at all times in excess of 120 percent of the aggregate of uninsured public deposits held by it. (Adequately capitalized)
3. If the total capital to risk-weighted asset ratio of a depository is less than ~~7-8~~ percent but greater than ~~or equal to~~ 6 percent, the depository shall pledge eligible collateral having a market value at all times in excess of 140 percent of the aggregate of uninsured public deposits held by it. (Undercapitalized)
4. If the total capital to risk-weighted asset ratio of a depository is less ~~than or equal to~~ 6 percent, the depository shall pledge eligible collateral having a market value at all times in excess of 160 percent of the aggregate of uninsured public deposits held by it. (Significantly undercapitalized)

C. Each depository is required to pledge the higher of the amount of eligible collateral required under this paragraph or paragraph B above:

1. Upon receipt of a final report of examination or other notice that a depository has been assigned a composite CAMELS rating of 4, the depository shall pledge collateral having a market value at all times in excess of 120 percent of the aggregate of uninsured public deposits held by it.
2. Upon receipt of a final report of examination or other notice that a depository has been assigned a composite CAMELS rating of 5, the depository shall pledge eligible collateral having a market value at all times in excess of 160 percent of the aggregate of uninsured public deposits held by it.

D. A depository shall not accept any additional uninsured public deposits or renew any uninsured public deposits beyond the original maturity dates:

1. If the depository's total capital to risk-weighted asset ratio is less than 8 percent but greater than ~~below~~ 6 percent; or

2. If the depository has received a final report of examination or other notice that the depository has been assigned a composite CAMELS rating of 5.

E. A depository shall eliminate all public deposits [not fully insured by the FDIC](#) in an orderly manner, under a plan and a timeframe approved by the Banking Board:

1. If the depository's total capital to risk-weighted asset ratio is equal to or less than ~~5~~[6](#) percent; or

2. If the depository has received a final report of examination or other notice that the depository has been assigned a composite CAMELS rating of 5.

[F. Upon notice from the Banking Board, a depository may be required to eliminate all public deposits if the depository meets any of the conditions established in paragraphs D and E above.](#)

~~F~~[G](#). Compliance with this rule shall be the responsibility of each depository regardless of the frequency or form of the reports required by the Banking Board.