

PDP8A Directors' Examination of Public Deposits. [Section 11-10.5-109(2), C.R.S.]

- A. Qualifications for Independent Person(s) Assuming Responsibility for Due Care of Directors' Examinations of Public Deposits.

Persons approved by the Banking Board to conduct directors' examinations under C.R.S. 11-103-502(3)(b) are also automatically approved to conduct directors' examinations of public deposits.

- B. Scope of Public Deposit Directors' Examinations.

Directors' examinations of public deposits shall include the following:

1. The bank's total capital to risk-weighted asset ratio.
2. A review of the eligible public depository's trial balance reports or other records identifying all deposit accounts held by the bank to discover any public deposit accounts not previously identified as "public" or reported to the Division of Banking on the Monthly Public Depository Liability Report. This procedure is not required if the eligible public depository's most recent safety and soundness CAMEL rating was 1 or 2.
3. Verification that each piece of pledged collateral is of a type approved by the Banking Board as eligible collateral. Refer to Banking Board Rule PDP3 for eligible collateral list. This procedure is not required if the eligible public depository's most recent safety and soundness CAMEL rating was 1 or 2.
4. Verification that the eligible public depository is reporting monthly to the Division of Banking the current principal balance of each real estate loan, mortgage-backed pool security, and collateralized mortgage obligation pledged as collateral under the Public Deposit Protection Act. This procedure is not required if the eligible public depository's most recent safety and soundness CAMEL rating was 1 or 2.
5. Review of the bank's procedures and workpapers for calculating uninsured public deposits and verifying that sufficient collateral is pledged to protect those uninsured deposits at the minimum required level under Banking Board Rules PDP4 and PDP5. Acknowledgment that the bank has been pledging sufficient amounts of collateral.
6. Review of all collateral pledged under the Public Deposit Protection Act to identify any piece of pledged collateral that has been reported to be in jeopardy of default or any piece of pledged collateral that has been adversely classified by any regulatory agency examiner.

- C. Report to be Filed With the Colorado Division of Banking.

A copy of a report addressing in detail the items under Banking Board Rule PDP8A, Paragraph (B) must be filed with the Colorado Division of Banking within one hundred fifty (150) days following the date of the directors' examination of public deposits.

Amendment Effective November 30, 2005

Amendments correct minor grammatical and technical errors.

Amended Effective May 3, 2004

Statutory reference amendment to conform Rule to recodified statutes; update terminology to conform to recodified statutes; formatting changes to comply with Colorado Secretary of State guidelines.