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EXHIBIT G – PROGRAM PARTICIPATION, REQUIREMENTS, REPORTS, AND FEES

State of Georgia Secure Deposit Program

Reporting:

Covered depositories and custodians will submit the following information, either in the form of an electronic CSV report in a template provided by the Treasurer; or, directly into an SDP electronic reporting system (to be developed).

The Treasurer will communicate to each Covered Depository, its respective collateral tier in accordance with section “V. Methodology of Determining Required Collateral” of the Program policy; except that the Treasurer, on behalf of the Board, may notify a Covered Depository at any time that the required collateral level has been raised to up to 125% for financial or economic reasons. Covered Depositories shall use the assigned collateral tier level in their posting of required collateral and in their reporting of collateral.

The Treasurer will communicate to Covered Depositories the amount of aggregate public deposits for all Covered Depositories in the Program, to be used by each Covered Depository in establishing required collateral amounts. Specifically, this relates to the requirement to post collateral at a value of at least 100% for any Covered Depository’s total public Program deposits that exceed 20% of Program aggregate public deposits.

Month-end total deposits and collateral level information (within 10 business days of month-end) including, but not limited to:

- Total pooled deposits
- FDIC insurance
- Total pooled deposits of bank (net of FDIC insurance coverage)
- % collateral required (per most recent quarterly calculation)
- Tier 1 Equity Capital (per most recent quarterly calculation)
- Current Market Value of Collateral

Month-end Bank report of deposits - daily record information (within 10 business days of month-end) including, but not limited to:

- a) Depository
- b) FDIC Cert#
- c) FEIN #
- d) Street/PO Box
- e) City, State, Zip
- f) Submitted by
- g) Phone
- h) Email
- i) Report Date (e.g. October 31, 2016)
- j) Reporting period

- k) Custodian
- l) Collateral Pricing Service
- m) Total public deposits
- n) Amount of FDIC insurance covering deposit balances in “m” above
- o) Amount of bank’s total net deposits in pool (Total, less FDIC insurance coverage)
- p) Required pledge level percentage
- q) Any additional collateral required by notification from the Treasurer; or as a result of a Covered Depository having public deposits exceeding 20% of the aggregate Public Deposits for all Covered Depositories in the Program; or as a result of a Covered Depository having public deposits exceeding 200% of its common equity Tier 1 capital
- r) Total required collateral
- s) Original Face or Par Value of Securities pledged
- t) Current Market Value of Securities pledged
- u) FHLB LOC and surety bonds issued to the State Treasurer
- v) Excess/deficit of pledged collateral over/under required collateral
- w) Confirmation of compliance with Program requirements including eligibility of all pledged collateral

Month-end Bank report of collateral information (within 10 business days of month-end) including but not limited to:

- a) Depository
- b) FDIC Cert#
- c) FEIN #
- d) Street/PO Box
- e) City, State, Zip
- f) Submitted by
- g) Phone
- h) Email
- i) Report Date (e.g. October 31, 2016)
- j) Reporting period
- k) Custodian
- l) Collateral pricing source
- m) CUSIP number or FHLB Letter of Credit Number
- n) If FHLB, Beneficiary
- o) Issuing FHLB if LOC is collateral; issuing surety provider if surety bond is collateral
- p) Security Description
- q) Security Type of collateral that is consistent with Schedule of Eligible Securities
- r) Maturity Date
- s) Original Face or Par Value
- t) Current Market Value
- u) Rating (if applicable)
- v) Pool (if applicable)
- w) Price

Month-end Bank report of depositors’ information (within 10 business days of month-end) including but not limited to:

- a) Full Depositor name
- b) Depositor address
- c) Depositor FEIN #

Month-end Custodian report information (within 10 business days of month-end) including, but not limited to:

- a) Custodian
- b) FEIN #
- c) Street / PO Box
- d) City, State, Zip

- e) Submitted by
- f) Phone contact number
- g) Email
- h) Report Date
- i) Reporting Period
- j) Collateral Pricing Service
- k) Depository
- l) Depository Account #
- m) Pledgee
- n) CUSIP number
- o) Security Description
- p) Security Type of collateral that is consistent with Schedule of Eligible Securities
- q) Maturity Date
- r) Original Face or Par Value
- s) Current Market Value
- t) Rating (if applicable)
- u) Pool (if applicable)
- v) Price

Covered depositories utilizing any Federal Reserve Bank as their Custodian will be required to verify the month-end Custodian report information.

TRANSACTIONS

A Covered Depository will provide the following information when making a pledge to the pool, withdrawing a security or substituting one security of equal or greater current market value of another.

Transaction request -pledge, withdrawal, substitution

- Date
- Bank
- FDIC Cert
- FEIN #
- Total pooled deposits on day of request
- Pledged to
- Transaction type: Deposit, Withdrawal, Substitution Deposit, Substitution Withdrawal
- CUSIP
- Security Description
- Security Type of collateral that is consistent with Schedule of Eligible Securities, or FHLB LOC
- Maturity date
- Original Face or Par Value
- Current Market Value
- Rating (if applicable)
- Custodian
- Collateral Pricing Service if different from Custodian
- Bank's authorizing party: Contact name, email, fax, and phone if necessary
- Specific custodian contact name, email, fax, and phone if necessary

Program Fees

- (1) The Board has adopted a schedule of fees to be charged to Covered Depositories to be used to cover reasonable Program expenses, including, the Administrator fee, internal expenses associated with Program, and any other fees including Custodial fees, liquidation fees, etc. The Board may adopt other fees as necessary to assure that all expenses necessary to administer the Program are adequately funded.

- (2) The Treasurer may adjust fees within limits established by the Board in order to ensure adequate resources are available to administer the SDB. Excess of fees collected may be credited to participating Covered Depositories at the end of each fiscal year.
- (3) The Treasurer will calculate an estimate of fees for each Covered Depository at the beginning of each fiscal year. Each Covered Depository may elect to pay the estimated fee at the beginning of the fiscal year or in upfront quarterly installments. The estimated fees for each Covered Depository will be reviewed quarterly and adjusted if necessary. Covered Depositories may be required to maintain a minimum balance as determined by the Treasurer to ensure payment of all Program expenses on a timely basis.
- (4) At the inception of the Program, initial fees will be estimated and charged for the partial period, prior to July 1, 2017.
- (5) Fees shall not exceed the following schedule of fees:

Multibank Pledging Pool

<u>Fee:</u>	<u>SDP Cap:</u>
a. Public Depositor Fee	\$12.00 / depositor / month
b. Total Deposit Fee	.0025% of Program deposits / year
c. Program Fee Tier I	\$125 / month
d. Program Fee Tier II	\$105 / month
e. Program Fee Tier III	\$85 / month
f. Program Fee Tier IV (and 125% level)	\$85 / month
g. Covered Depository Application Fee	\$500 one-time fee
h. Depository Non-Compliance Fees	\$250 / occurrence
i. Custodian Non-Compliance Fees	\$250 / occurrence

Single Bank Pledging Pool

<u>Fee:</u>	<u>SDP Cap:</u>
a. Public Depositor Fee	\$12.00 / depositor / month

- (6) Fees collected in excess of Program expenses may be credited to participating Covered Depositories at the end of each fiscal year to offset fees due in the subsequent fiscal year.
- (7) The Board may adopt other fees as necessary to assure that all Program expenses are adequately funded.

Non-Compliance and Remedies

The following procedures shall be followed to correct any violations of policy.

- (1) Reporting Requirements for Covered Depositories:
 - a) The Treasurer shall notify the Covered Depository immediately should the Covered Depository's monthly report not be received by the 10th business day of the month.
 - b) If after the Treasurer's notice, a report is not received within 7 business days, the Treasurer may take the following actions:
 - I. Report the non-compliance to the Board.
 - II. Require the Covered Depository to send a representative to meet with the Treasurer and Commissioner to discuss its non-compliance.
 - III. Determine whether continued non-compliance presents a risk warranting increasing the required collateral level for the non-complying Covered Depository.
 - IV. Determining whether the Covered Depository will be declared in default, and
 - V. Requiring the Covered Depository to disgorge public deposits secured by the Program.
 - VI. Require the Covered Depository to pay a non-compliance fee in accordance with the schedule of fees.
 - VII. Covered Depository will also be responsible for non-compliance fees owed by a Covered Depository's Custodian.
- (2) If a Covered Depository or Custodian fails to comply with any provision of the policies and procedures other than the reporting requirements or, alternatively, defaults on its obligations, the Board may impose limitations or other restrictions on the ability of the Covered Depository to accept public deposits, which, includes, but is not limited to: a) increasing the Covered Depository's collateral requirement to 125% of deposits secured by the Program; b) disgorging public deposits secured by the Program; c) prohibiting a Covered Depository from accepting additional public deposits; d) imposing a limit on the amount of public deposits a Covered Depository can accept; or e) requiring a Covered Depository to no longer accept public deposits. The Board may require a Covered Depository to provide notice of its public depositors of any such limitation.
- (3) Custodian:
 - a) The Treasurer shall notify a Custodian of any Program violation, with concurrent notification to all Covered Depositories utilizing such Custodian, if the Custodian:
 - I. Substitutes or allows the withdrawal of pledged collateral without the consent of the Treasurer.
 - II. Fails to provide complete confirmations of pledged collateral within 3 business days of notification.
 - III. Fails to honor a request for reports, or an examination of funds or securities.
 - IV. Fails to comply with any requirements of the Custodian Agreement.
 - b) Within 30 calendar days of acknowledged receipt of such notice, the Custodian shall prepare a written response to the notice of Program violation that provides a corrective action plan; or provides a statement with substantiating documentation that the infraction has not occurred.
 - c) If the Custodian fails to provide a corrective action plan acceptable to the Treasurer, the Treasurer shall send all Covered Depositories using such Custodian for the Program notification to select a replacement Custodian from among the list of approved Custodians.