

## Guidance for Financial Institutions

Championed by House Speaker Cameron Sexton and Lt. Governor Randy McNally, House bill 9073 and Senate bill 9010 allows banks to use cash as a form of eligible collateral in addition to securities or a letter of credit to secure the public deposits that it holds. The legislation reduces the collateral pledge level to 90% for banks meeting the Collateral Pool Board-established criteria to pledge at the 100% level. This is a temporary reduction of the pledge level until December 31, 2026, to coincide with the deadline to expend all American Rescue Plan funds. Both changes in the law should help reduce the difficulty in securing the collateral necessary for public deposits.

### 1. What is the Bank Collateral Pool?

- Tennessee's Bank Collateral Pool allows banks and local governments statewide to participate in a pool designed to provide greater efficiency and a lower risk when collateralizing public funds. The Collateral Pool Board oversees the risk-sharing pool of collateral pledged by participating financial institutions to guarantee public deposits. The duties of the Board are found in Tennessee Code Annotated, §9-4-508.
- More information regarding the Collateral Pool Board can be found on our website at [Treasury.tn.gov/Collateral Pool](https://Treasury.tn.gov/CollateralPool).

### 2. Where can I find a list of eligible collateral for public deposits?

- Eligible collateral is defined in Tennessee Code Annotated, §9-4-103.
- The eligible collateral list can also be found under “Documents at a Glance” on the Treasury Bank Collateral Pool webpage of [Treasury.tn.gov](https://Treasury.tn.gov).

### 3. Which trustee custodians are currently able to accept cash as collateral?

- There are two approved Trustee Custodians for the State of Tennessee Collateral Pool able to accept cash as collateral and hold it on behalf of the State Treasurer.
  - Federal Home Loan Bank of Cincinnati
    - Jennifer Burkhart, Correspondent Services Supervisor  
(P) (800) 543-7018 | [CorespondentServices@fhlbcin.com](mailto:CorespondentServices@fhlbcin.com)
  - Federal Home Loan Bank of Atlanta
    - Cheryl A. Robinson, Manager of Safekeeping  
(P) 404-888-8291 or (M) 404-904-2324 | [CRobinson@fhlbatl.com](mailto:CRobinson@fhlbatl.com)
    - Caitlin Miller, Safekeeping Operations Analyst  
(P) 404-888-8286 or (M) 404-450-3698 | [cmiller@fhlbatl.com](mailto:cmiller@fhlbatl.com)



## BANK COLLATERAL POOL

4. Where can I find the approved Trustee Custodian List for Collateral Pool Banks?
  - The approved “Trustee Custodians” list can be found in the “Documents at a Glance” section of the Treasury Bank Collateral Pool webpage.
  
5. How can cash be pledged as collateral?
  - Establish a relationship with an approved trustee custodian that is able to accept cash as collateral. (Please reference contact information for pertinent FHLBs detailed in bullet item 3).
  - Complete the pledge form found in the “Documents at a Glance” section of the Treasury Bank Collateral Pool webpage.
  - Email the completed pledge form to [collateral.pool@tn.gov](mailto:collateral.pool@tn.gov)
  
6. Which banks are eligible to pledge at the 90% pledge level?
  - Collateral pool banks meeting the Collateral Pool Board-established criteria to pledge at the 100% level are eligible to pledge at 90%.
  
7. How will the 100% pledge level be reduced to 90% to allow collateral pool banks to release excess collateral?
  - Banks will submit an amended current monthly report to the State Treasurer at any time during the month indicating the new 90% pledge level and their new required collateral target.
  - Once Treasury Staff receives and updates the amended report, the bank will be able to release any excess collateral through the secure online portal application at: <https://tncms.broadridge.com/iPAS/login.ipas>.

For further guidance, please visit the Tennessee Bank Collateral Pool website or call Collateral Pool staff at (615) 532-8722.

Bank Collateral Pool  
Treasury.tn.gov/CollateralPool  
(615) 532-8722

