

OFFICE OF THE TREASURER

P. O. BOX 942809
SACRAMENTO, CA 94209-0001



RE: Time Deposit Program

Dear:

Your institution may be approved to become the recipient of the deposit of State funds. Final approval will be based upon submission of the following completed documents:

1. ***Agreement for Time Deposit (triplicate)***. Complete and return all copies.
2. ***Resolution (duplicate)***. Complete and return original only.
3. ***Safekeeping Agreement with the State Treasurer (triplicate)***. Advise our office of your choice of depository as soon as the decision has been made. Upon approval, complete your portion of the agreement and forward all three signed copies to your selected depository. *If you select the Federal Reserve Bank as your depository, please contact Shirley Sneed at (916) 653-1300, as the Federal Reserve Agreement is different and will be sent to you separately.*

Once the above documents are completed and reviewed by our office, a transaction can be negotiated. In addition, if your institution is interested in accepting a deposit secured by mortgage notes, the following is also needed:

1. ***Resolution and Power of Attorney adopted by your Board Of Directors (specimen form)***. See Regulations Section 1898.6 regarding adoption in lieu of endorsing notes and assigning deeds of trust on pledged mortgage notes. Submit one copy of the Resolution and Power of Attorney.
2. ***Assignment of Mortgage Notes and Deeds of Trust***. See Regulations 1898.4 and 1898.5. If the Power of Attorney is not executed, this form is to be completed covering all mortgage notes.
3. ***Monthly Report of Mortgages Pledged as Collateral***. This report is to be completed and submitted to the State Treasurer by the fifth working day after the end of the month.

For your convenience, enclosed is a supply of State Treasurer's forms 11B and 11C to be used for bond or mortgage note transactions, respectively. Also included is a copy of the State Deposit Law and the related Regulations of the State Treasurer. Please be sure to complete and return the enclosed Time Deposit Information form.

Page Two

Please send a copy of your most recent Annual Report, as well as the five most recent Call Reports and current Community Reinvestment Act evaluation. The State Treasurer's Office should be added to your distribution list so that we will receive the quarterly Call Reports or Statements of Condition and Operations as they are released. Feel free to submit any other information you feel will help us fully understand the financial condition and management of your institution.

Please contact Evelyn Gorman or Sean Collier at (916) 653-3147 if you have questions or would like further information on the Time Deposit Program. The completed package of information should be returned to the attention of Evelyn or Sean.

Sincerely,

William T. Dowell
Director - Investment Division

Enclosures