

STATE OF MISSOURI
OFFICE OF THE STATE TREASURER

**SECURITIES ACCEPTABLE AS COLLATERAL
TO SECURE STATE DEPOSITS**

The securities described below are hereby designated as acceptable collateral for state funds on deposit, as required by Section 30.270 RSMo (as amended). ***The State Treasurer reserves the right to refuse to accept as collateral any security or securities on this list, or to request the submission of an alternate acceptable security or securities, if, in the sole discretion of the State Treasurer, the State Treasurer determines that such action will provide greater security for the deposit of state funds.***

The securities described below are designated as acceptable collateral for the deposit of state funds. The listing is not intended to serve as, and should not be considered as a listing of legally authorized investment instruments.

1. Marketable Treasury securities of the United States.
2. Bonds or certificates of participation (COP's) issued by the State of Missouri with an investment grade long-term rating from one of the Nationally Recognized Statistical Ratings Organizations (NRSRO's) or are secured by a federal agency guarantee (directly or through guaranteed loans), to include the following:
 - a. General obligation debt securities issued by the State of Missouri.
 - b. Revenue bonds issued by the Missouri Board of Public Buildings or Department of Natural Resources.
 - c. Revenue bonds of the Missouri Housing Development Commission, Missouri Health and Education Facilities Authority, Missouri Higher Education Loan Authority, Missouri Environmental Improvement and Energy Resources Authority, Missouri Agricultural and Small Business Development Authority, Missouri Industrial Development Board, or State-owned educational institutions.
 - d. Certificates of Participation issued by the Missouri Board of Public Buildings or Public Fund Commissioners.
3. Bonds or certificates of participation with an investment grade long-term rating from one of the NRSRO's issued by any of the following agencies:
 - a. Any city in this state having a population of not less than two thousand
 - b. Any county of this state
 - c. Any school district situated in this state

- d. Any special road district in this state
 - e. Bonds of any political subdivision established under the provision of Article VI, Section 30 of the Constitution of Missouri (City and County of St. Louis)
 - f. Any of the fifty states within the United States of America
- 4. Debt securities guaranteed by the United States or its agencies or instrumentalities, as follows:
 - a. Debt securities of the Federal Farm Credit System
 - b. Debt securities of the Federal Home Loan Banks
 - c. Debt securities of the Federal National Mortgage Association ("Fannie Mae")
 - d. Debt securities of the Tennessee Valley Authority (TVA)
 - e. Debt securities of the Federal Agricultural Mortgage Corporation ("Farmer Mac")
 - f. Debt securities of the Government National Mortgage Association ("Ginnie Mae").
 - g. Debt securities of the Federal Home Loan Mortgage Corporation ("Freddie Mac")
 - h. Guaranteed Loan Pool Certificates of the Small Business Administration (SBA)
 - i. Federal Home Administration insured notes (CBOs).
 - j. Public housing notes and bonds ("project notes and bonds") issued by public housing agencies, guaranteed as to the payment of principal and interest by the government of the United States or any agency or instrumentality thereof.
 - k. Debt securities of the Resolution Funding Corporation (REFCORP).

Collateralization margins for pass-through mortgage-backed securities, SBA pool certificates and collateralized mortgage obligations shall differ from debentures issued by such agencies. The only type of Collateralized Mortgage Obligations (CMO) that the Treasurer's Office will accept are Exchangeable (EXCH), Floaters (FLT), Mandatory Redemption (MR), Nonaccelerating Security (NAS), Overcollateralized (OC), Planned Amortization (PAC), Prepayment Penalty (PIP), Pass Through (PT), Scheduled Pay (SCH), Semi-annual Pay (SEMI), Sequential Pay (SEQ) classes.. Furthermore, Collateralized Mortgage Obligations must have a weighted average life not to exceed five years and pass the FFIEC High Risk Stress Test. No Strips, Z bonds, Subordinated or Support Bonds, Mortgage Derivatives or Zeros are acceptable.


5. Tax anticipation notes issued by any county of class one in Missouri with an investment grade short-term rating from one of the Nationally Recognized Statistical Ratings Organizations (NRSRO's)
6. Surety bonds issued by an insurance company licensed under the laws of the State of Missouri whose claims-paying ability is rated in the highest category by Duff & Phelps, A.M. Best, Standard & Poor's, or Moody's. The face amount of such surety bond shall be at least equal to the portion of the deposit to be secured by the surety bond.
7. Irrevocable standby Letter of Credit issued by a Federal Home Loan Bank.
8. Bonds or certificates of participation issued by local government agencies within the fifty states, provided such instruments are rated in one of the four highest rating categories (investment grade) by at least one NRSRO.
9. Brokered or negotiable certificates of deposit that are fully insured either by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund.

The State Treasurer shall determine the collateralization margin (or "haircut") for each security type listed above, which may change from time to time subject to market conditions and other factors, but in no event shall be greater than the maximum limits allowed by law. The current collateralization requirements by security type are provided on Attachment "A".

The total market value of collateral must be equal to or greater than the collateralization margin set by the State Treasurer of the total amount of state time deposits (including accrued interest to maturity) plus demand deposits with the depository, less the amount, if any, which is insured by the Federal Deposit Insurance Corporation, or the National Credit Unions Share Insurance Fund. All securities pledged as collateral by the depository will be held by the Missouri State Treasurer, in a segregated account. All collateral pledged must be delivered in bearer form, book-entry form, or in the case of fully registered certificates, placed into the nominee name of the custodian.



Eric Schmitt, State Treasurer



Nicole Galloway, State Auditor



Michael L. Parson, Governor

Effective Date: November 19, 2018

ATTACHMENT "A"
STATE OF MISSOURI
OFFICE OF THE STATE TREASURER

COLLATERALIZATION REQUIREMENTS
FOR STATE DEPOSITS

No.	Security	Collateralization Margin ("Haircut")
1.	United States Treasuries	102%
2.	State of Missouri Bonds/Debt	102%
3.	Local/State Debt	
	a. Any city in this state having a population of not less than two thousand	102%
	b, Any county of this state	102%
	c. Any school district situated in this state	102%
	d. Any special road district in this state	102%
	e. Bonds and COP's of any political subdivision established under the provision of Article VI, Section 30 of the Constitution of Missouri (City and County of St. Louis)	102%
	f. Any of the fifty states within the United States of America	102%
4.	U.S. Agency Securities	
	Agency Debentures	102%
	SBA Loan Pools	105%

	Agency Mortgage-Backed Securities	105%
	Agency CMO's (The following are the only acceptable classes: EXCH, FLT, MR, NAS,OC, PAC, PIP,PT, SCH, SEMI, SEQ)	105%
5.	Tax anticipation notes issued by any county of class one in Missouri	102%
6.	Surety bonds	100%
7.	FHLB Letter of Credit	100%
8.	Out-of-state Municipal Bonds/COP's	102%
9.	Fully insured Brokered Certificates of Deposit	107%

See the State of Missouri's Acceptable Collateral Policy for a more complete description of the above securities. The above collateralization requirements may change from time to time based on market conditions and other factors, but in no event shall be greater than the maximum limits allowed by law.