

Representative Kris Jordan
Chair, House Financial Institutions Committee
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Columbus, Ohio 43215
Delivered via email: Thomas.Hayworth@ohiohouse.gov



November 30, 2020

The Honorable Chairman Jordan,

The OBL is the foremost trade association for the Ohio banking industry – and is Ohio’s only organization focused on meeting the needs of *all banks and thrifts* in the Buckeye State. The non-profit association is comprised of more than 160 FDIC-insured financial institutions including commercial banks, savings banks, and savings and loan associations ranging in size from just over \$14 million in assets to more than \$2.5 trillion and employing over 60,000 Ohioans.

For background, the Ohio Pooled Collateral System (OPCS) was created in the 131st General Assembly. The goal was to allow participating banks to pledge collateral to the Ohio Treasurer of State’s Office to secure the deposits of local governments. The Treasurer’s Office then monitors the bank’s pledged collateral securities, and both establishes and maintains a perfected security interest in the collateral. Further, it creates a partnership between the bank, local government, and Treasurer’s Office to foster communication, monitoring, and greater efficiency.

A key piece of this is active communication between the local government and the bank. Local governments must communicate to banks when large deposits are coming in so that banks can acquire the appropriate collateral and banks communicate the collateralization levels. In short, this SB 277 builds on the good work that was done creating OPCS by providing additional clarity on liability and timing. Key for banks is allowing two business days to acquire and pledge additional security to collateralize the local government’s public deposits. This bright light rule provides additional certainty to local governments, the Treasurer’s Office, and the banks we represent.

For these reasons, we urge your support of Senate Bill 277. Please feel free to contact me if you have any questions regarding our position at dboyd@ohiobankersleague.com or (614) 340-7608.

Sincerely,

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& Legislative Counsel
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