

CHAPTER 280
SECURITY FOR PUBLIC DEPOSITS

280.13 Eligible collateral.—

- (1) Securities eligible to be pledged as collateral by banks and savings associations shall be limited to:
 - (a) Direct obligations of the United States Government.
 - (b) Obligations of any federal agency that are fully guaranteed as to payment of principal and interest by the United States Government.
 - (c) Obligations of the following federal agencies:
 1. Farm credit banks.
 2. Federal land banks.
 3. The Federal Home Loan Bank and its district banks.
 4. Federal intermediate credit banks.
 5. The Federal Home Loan Mortgage Corporation.
 6. The Federal National Mortgage Association.
 7. Obligations guaranteed by the Government National Mortgage Association.
 - (d) General obligations of a state of the United States, or of Puerto Rico, or of a political subdivision or municipality thereof.
 - (e) Obligations issued by the Florida State Board of Education under authority of the State Constitution or applicable statutes.
 - (f) Tax anticipation certificates or warrants of counties or municipalities having maturities not exceeding 1 year.
 - (g) Public housing authority obligations.
 - (h) Revenue bonds or certificates of a state of the United States or of a political subdivision or municipality thereof.
 - (i) Corporate bonds of any corporation that is not an affiliate or subsidiary of the qualified public depository.
- (2) In addition to the securities listed in subsection (1), the Chief Financial Officer may, in his or her discretion, allow the pledge of the following types of securities. The Chief Financial Officer shall, by rule, define any restrictions, specific criteria, or circumstances for which these instruments will be acceptable.
 - (a) Securities of, or other interests in, any open-end management investment company registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company is limited to direct obligations of the United States Government and to repurchase agreements fully collateralized by such direct obligations of the United States Government and provided such investment company takes delivery of such collateral either directly or through an authorized custodian.
 - (b) Collateralized Mortgage Obligations.
 - (c) Real Estate Mortgage Investment Conduits.
- (3) Except as to obligations issued by or with respect to which payment of interest and principal is guaranteed by the United States Government or obligations of federal agencies listed in subsection (1), the debt obligations mentioned in this section shall be rated in one of the four highest classifications by an established, nationally recognized investment rating service.
- (4) To be eligible as collateral under this section, all debt obligations shall be interest bearing or accruing.

(5) Letters of credit issued by a Federal Home Loan Bank are eligible as collateral under this section provided that:

(a) The letter of credit has been delivered to the Chief Financial Officer in the standard format approved by the Chief Financial Officer.

(b) The letter of credit meets required conditions of:

1. Being irrevocable.

2. Being clean and unconditional and containing a statement that it is not subject to any agreement, condition, or qualification outside of the letter of credit and providing that a beneficiary need only present the original letter of credit with any amendments and the demand form to promptly obtain funds, and that no other document need be presented.

3. Being issued, presentable, and payable at a Federal Home Loan Bank in United States dollars. Presentation may be made by the beneficiary submitting the original letter of credit, including any amendments, and the demand in writing, by overnight delivery.

4. Containing a statement that identifies and defines the Chief Financial Officer as beneficiary.

5. Containing an issue date and a date of expiration.

6. Containing a term of at least 1 year and an evergreen clause that provides at least 60 days' written notice to the beneficiary prior to expiration date for nonrenewal.

7. Containing a statement that it is subject to and governed by the laws of the State of Florida and that, in the event of any conflict with other laws, the laws of the State of Florida will control.

8. Containing a statement that the letter of credit is an obligation of the Federal Home Loan Bank and is in no way contingent upon reimbursement.

9. Any other provision found necessary under the Uniform Commercial Code—Letters of Credit.

(c) Obligations issued by the Federal Home Loan Bank remain triple-A rated by a nationally recognized source or, if no longer triple-A rated, rated by a nationally recognized source at not lower than its rating of the long-term sovereign credit of the United States.

(d) The Federal Home Loan Bank issuing the letter of credit agrees to provide confirmation upon request from the Chief Financial Officer. Such confirmation shall be provided within 15 working days after the request, in a format prescribed by the Chief Financial Officer, and shall require no identification other than the qualified public depository's name and location.

(e) The qualified public depository completes an agreement covering the use of the letters of credit as eligible collateral, as described in s. 280.041(5).

(f) The qualified public depository, if notified by the Chief Financial Officer, shall not be allowed to use letters of credit if the Federal Home Loan Bank fails to pay a draw request as provided for in the letters of credit or fails to properly complete a confirmation of such letters of credit.

(6) Cash held by the Chief Financial Officer in the Treasury Cash Deposit Trust Fund or by a custodian is eligible as collateral under this section. Interest earned on cash deposits that is in excess of required collateral shall be paid to the qualified public depository upon request.

(7) The Chief Financial Officer may disapprove any security or letter of credit that does not meet the requirements of this section or any rule adopted pursuant to this section or any security for which no current market price can be obtained from a nationally recognized source deemed acceptable to the Chief Financial Officer or cannot be converted to cash.

(8) The Chief Financial Officer shall adopt rules defining restrictions and special requirements for eligible collateral and clarifying terms.

History.—s. 3, ch. 81-285; s. 14, ch. 83-122; s. 133, ch. 83-217; s. 18, ch. 87-409; s. 7, ch. 88-171; s. 11, ch. 90-357; s. 21, ch. 91-244; s. 192, ch. 95-148; s. 14, ch. 96-216; s. 4, ch. 2000-352; s. 14, ch. 2001-230; s. 303, ch. 2003-261; s. 1, ch. 2013-129.