

## Maryland State Treasurer's Office

### FEDERAL HOME LOAN BANK LETTERS OF CREDIT DEPOSITARY AGREEMENT

I. *DATE OF AND PARTIES TO THE AGREEMENT:* This agreement is effective \_\_\_\_\_  
\_\_\_\_\_. The parties to this agreement are the **Beneficiary Organization**, the state or local government unit identified below, and the **Depository**, the financial institution identified below that is authorized to serve as a depository for public funds under applicable law.

II. *AGREEMENT:* The Depository agrees to the following provisions necessary to meet the guidelines issued by the State Treasurer (the "Guidelines") for the use of Federal Home Loan Bank Letters of Credit as collateral by the Depository in accordance with Maryland State Finance and Procurement Article ("SFP") § 6-202:

- A. The letters of credit shall meet the definition of eligible collateral as outlined in SFP § 6-202.
- B. The Depository shall agree that the Beneficiary (identified below), as beneficiary, may, without notice to or consent by the Depository, demand payment under the letters of credit in the event the Beneficiary determines, in his/her sole discretion, that the Depository is insolvent or in default (a "Triggering Event"). For purposes of this Agreement, a "Triggering Event" shall include without limitation the following: (a) the Depository fails or refuses to return any public deposit upon demand or at maturity, (b) an order is issued by a supervisory authority restraining the Depository from making payments of deposit liabilities, or (c) a receiver is appointed for the Depository.
- C. The Depository shall agree that funds received by the Beneficiary due to the occurrence of a Triggering Event shall be deposited in an account designated by the Beneficiary.
- D. The Depository shall arrange for the issue of letters of credit which meet the requirements of SFP § 6-209(b) and delivery to the Beneficiary. All transactions involving letters of credit require the Beneficiary's approval as evidenced by this executed Federal Home Loan Bank Letters of Credit Depository Agreement.
- E. The Depository shall be responsible for all costs necessary in the use or confirmation of letters of credit issued to the Beneficiary and acknowledges that these costs shall not be a charge against the State or any public funds depositor.
- F. The Depository shall be subject to the jurisdiction of the courts of Maryland, or of

courts of the United States which are located within Maryland, for the purpose of any litigation arising out of SFP Title 6 or Title 17 of the Local Government Article, Annotated Code of Maryland, as applicable.

- G. The Depository shall agree that any information, form, or report electronically transmitted to the Beneficiary shall have the same enforceability as a signed writing.
- H. The Depository shall submit proof that authorized individuals executed this Agreement on its behalf and the Depository shall further agree by resolution of its Board of Directors that this Agreement has been formally accepted and constitutes an official record of the Depository.
- I. Upon the Beneficiary's request, the Depository must include the value of the letter of credit on reports to the Beneficiary of collateral pledged to secure the public funds deposit.
- J. In the event the letter of credit or the Depository does not meet one or more of the Guidelines, as may be amended from time to time, the Depository shall, upon the Beneficiary's request, provide alternative eligible collateral under SFP § 6-202 in lieu of the letter of credit.
- K. Any reference in this Agreement to a specific statutory provision shall be deemed to refer to any applicable successor provision.

*III. AUTHORIZED SIGNATURES OF PARTIES*

[DEPOSITARY BANK]  
(the "Depository")

STATE OF MARYLAND, by and through  
the Maryland State Treasurer  
(the "Beneficiary Organization")

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

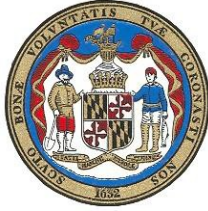
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Maryland State Treasurer (the "Beneficiary")

\_\_\_\_\_

Approved as to form and legal sufficiency:

\_\_\_\_\_  
Counsel to the Beneficiary



**FEDERAL HOME LOAN BANK MEMBER RESOLUTION**

\_\_\_\_\_  
Printed Legal Name of the Qualified Public Depository/Federal Home Loan Bank Member

\_\_\_\_\_  
Home Office City and State

I, \_\_\_\_\_, \_\_\_\_\_  
Name Title

Certify that I am the official Custodian of Corporate Records for the above named Federal Home Loan Bank member, and that the following is a correct copy of a resolution adopted by the Board of Directors at a meeting held on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_. This resolution appears in the minutes of said meeting and has not been modified.

**BE IT resolved that:**

The Board of Directors of this Federal Home Loan Bank Member affirms that the Federal Home Loan Bank Letters of Credit Depository Agreement effective \_\_\_\_\_ has been formally accepted, and constitutes an official record of this institution.

WITNESS my signature under seal \_\_\_\_\_  
Printed Legal Name of Federal Home Loan Bank Member

This \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature of Official Custodian of Corporate Records\*

\_\_\_\_\_  
Signature and Title of Second Officer or Director\*

\*NOTE: If the official custodian of corporate records is the signing officer on the form, adopted, a second officer or director of the Federal Home Loan Bank Member shall also sign.