



## Request for Applications (RFA)

**RFA 2019-001**

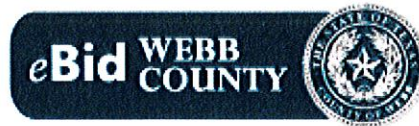
***"Bank Depository for Webb County"***

**Due: April 15, 2019 at/or before 10am**

**NOTICE** is hereby given that the County of Webb is soliciting Request for Applications (RFA) for banking services from all banks with home offices or branch facilities within the boundaries of Webb County interested in being designated as Webb County's Bank Depository. The applicant(s) selected as a Depository may also be the Depository for Trust Funds of the County and District Clerks as well as Depository for all district, county, and precinct officials as permitted by the Texas Local Government Code, Chapter 113 (Management of County Money), Chapter 116 (Depositories for County Public Funds) and Chapter 117 (Depositories for Certain Trust Funds and Court Registry Funds). Webb County is seeking a four (4) year term with a two (2) renewed term in accordance with State law.

All banks with home offices or branch facilities within the boundaries of Webb County can view this RFA with its terms, conditions, and attachments by visiting the online address listed below. Interested Banks may submit their proposals by registering on the Webb County's eBid site and uploading their file to our Response Attachment Tab. Should anyone need assistance please contact Mr. Juan Guerrero, Contract Administrator at (956) 523-4125.

<https://webbcountyebid.ionwave.net/Login.aspx>



This RFA package is due by or before 10 a.m. (Central Time) on April 15, 2019. **RFA received after the due date and time will not be accepted.** All RFA meeting the required deadline will be opened publicly and recorded for the record by the Purchasing Agent, designated representative of the County Judge at the following location:

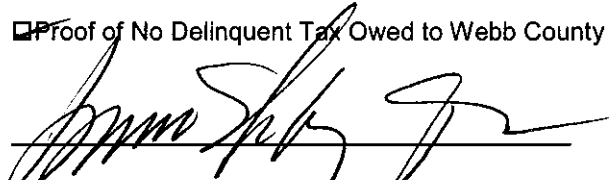
Webb County Purchasing Office  
1110 Washington Street, Suite 101  
Laredo, Texas 78040

*Webb County Commissioners Court will consider all RFAs; select the qualified applicant(s) that offer the most favorable terms and conditions for the handling of the County funds. The Commissioners Court may reject those applicants whose management or conditions, in the opinion of the Court, does not warrant placing county funds in their possession. The County may select one or more applications as County depositories.*

THIS FORM MUST BE INCLUDED WITH RFA PACKAGE; PLEASE CHECK OFF EACH ITEM INCLUDED WITH RFA PACKAGE AND SIGN BELOW TO CONFIRM SUBMITTAL OF EACH REQUIRED ITEM.

**RFA # 2019-001**  
**"Bank Depository for Webb County"**

- Exhibit "A" – Account Analysis
- Exhibit "B" – Webb County Investment Policy
- Exhibit "C" – Bank Account Breakdown Summary
- Bid Worksheet "A"
- Bid Worksheet "B"
- Bid Worksheet "C"
- Bid Worksheet "C-1"
- Bid Worksheet "C-2"
- Bid Worksheet "D"
- Signature Form & References
- Conflict of Interest form (Form CIQ)
- Certification regarding Debarment (Form H2048)
- Certification regarding Federal lobbying (Form 2049)
- Code of Ethics Affidavit
- Proof of No Delinquent Tax Owed to Webb County

  
\_\_\_\_\_  
Signature of Person Completing this Package

4-12-19  
Date

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**GENERAL SPECIFICATIONS:**

- 1.1 SCOPE OF THE CONTRACT** – It is the intent of the Webb County Commissioners' Court to execute a contract with a bank desiring to be designated as the County's Depository Bank. The applicant(s) selected as a Depository may also be the Depository for Trust Funds of the County and District Clerks as well as Depository for all district, county, and precinct officials as permitted by the Texas Local Government Code, Chapter 113 (Management of County Money), Chapter 116 (Depositories for County Public Funds) and Chapter 117 (Depositories for Certain Trust Funds and Court Registry Funds).

Webb County is seeking a four (4) year term with a two (2) renewed term in accordance with State law.

- 1.2 PROPOSAL PREPARATION COSTS:** The County will not reimburse any proposer for any costs involved in the preparation and submission of proposals, amendments or other relevant documents associated with the RFA.
- 1.3 GOOD FAITH GUARANTEE** – Banks must submit a certified check or cashier's check for at least one-half percent of the county's revenue for the preceding year. The total revenue for the preceding year is \$172,427,641.00, one-half percent of that amount is **\$862,138.00**. Deadline for certified or cashier's check is April 15, 2019 on or before 10 a.m. (Central Time). Checks must be delivered to the Webb County Purchasing Agent at 1110 Washington Street, Suite 101, Laredo, Texas 78040.
- 1.4 REQUIRED BANK QUALIFICATIONS** - The following requirements must be met at all times by the Bank(s) in order to maintain the depository agreement in good standing:
- a. Monthly statements for all accounts must be delivered to the County Treasury, by the 5<sup>th</sup> business day following the end of the month, including total receipts, disbursements and balances in printed numbers of each account, accompanied by the canceled checks and deposit slips for the period (*Monthly Statements in Electronic format*).
  - b. The Statement of Account Analysis must be received by the County Auditor by the 7<sup>th</sup> business day following the close of the month, by account and include a total recap of all accounts.
  - c. Statement of the Bank's financial condition must be forwarded to the County Auditor on a quarterly basis (*Electronic format is acceptable*).
  - d. Designation of one (1) Bank Officer to handle all accounts and communication (Include name, title and contact information of Bank Officer(s) assigned to Webb County Depository).
  - e. The Depository(s) is/are) required to keep each account designated by the County separate. The accounts and funds are subject to the examination of the County Auditor at any time.
  - f. The County provides its employees with the benefit of direct deposit of payroll. If in the course of direct deposit transfers, should such transfer fail to occur as the result of

failure by the Depository to initiate said transfer, the Depository will reimburse individual employee for all cost incurred due to overdrafts and returned check charges assessed against them directly or against their individual checking account as a result of the failure of such transfer related to direct deposit of payroll.

**1.5 RFA SCHEDULE**

<b>Activity</b>	<b>Time</b>	<b>Date</b>	<b>Responsible Party</b>
Public Notice/newspaper	n/a	Mar. 25 <sup>th</sup> , Apr. 1 <sup>st</sup> , Apr. 8 <sup>th</sup>	Webb Co. Purchasing Dept.
Posted RFA on website	n/a	Mar. 25 <sup>th</sup> until awarded.	Webb Co. Purchasing Dept.
Questions Due to County	No later than 5pm	Apr. 3 <sup>rd</sup>	Proposer/Contractor
Posting of answers	No later than 5pm	Apr. 4 <sup>th</sup>	Webb Co. Purchasing Dept.
Sealed Applications due	10 a.m.	Apr. 15 <sup>th</sup>	Proposer/Contractor
Evaluation of Applications	TBD	Apr. 16 <sup>th</sup> – Apr. 17 <sup>th</sup>	Webb Co. Evaluation Team
Award of Contract	TBD	TBD	Governing Body
Finalization of contract	TBD	May 2019	Webb County/Contractor

*Webb County reserves the right to make changes to the RFA schedule above if it is determined that it's in the best interest to Webb County. Any changes will be made through addendum and will be posted publically in the eBid system and addendum will also be posted at the Webb County Courthouse in hard copy format.*

**1.5 QUESTIONS AND CLARIFICATIONS:** Interested proposers shall familiarize themselves with conditions relating to the scope, specifications, and restrictions regarding the execution of work to be performed under the contract. It is the proposer's responsibility to obtain any additional information it deems necessary to submit in its RFA proposal, as well as in the performance of the contract. Information contained in this document should not be considered all-inclusive.

All questions regarding this RFP proposal request must be submitted to in writing through eBid by utilizing the "**Questions Tab**" in the Bid Event.



- 1.8 WITHDRAWAL AND ALTERING PROPOSALS:** Proposals may be withdrawn or altered at any time prior to the official opening by or before Friday, April 12<sup>th</sup> at 5 p.m. Any withdrawal or changes to RFA must be done using the County's ebid system. For assistance, call Mr. Juan Guerrero, Contract Administrator at (956) 523-4125.
- 1.10 PUBLIC OPENING:** All proposals will be opened publically and recorded for record by the Purchasing Agent, designated representative of the County Judge, at 1110 Washington Street, Suite 101, Laredo, Texas 78040 at 10:00 a.m., Monday, April 15, 2019. Public opening procedures will include the recording of each RFA to include the date and time received, and the name of the Bank submitting the RFA. **No late proposals will be accepted electronically or in hard copy format.**
- 1.11 RESERVATION OF RIGHT TO REJECT:** Webb County Commissioners' Court reserves the right to reject in whole or in part any or all proposals from banks whose management and conditions do not warrant the placement of County funds
- 1.12 EVALUATION PROCESS/AWARDING OF CONTRACT** – Awarding of the depository contract will be executed by the Webb County Commissioners' Court and will be confirmed by an award letter by the Webb County Judge's designated representative, Jose Angel Lopez III, Purchasing Agent for Webb County. The successful applicant shall submit a copy of the minutes from the Board of Directors meeting of the Depository bank's acceptance of the depository contract. All other banks will be notified at this time.

The selection of the County Depository and the terms of the depository contract are governed by Texas Local Government Code Chapters 116 and 117 and will be awarded based on, but not limited to, the following criteria:

- 1) Bank's past and prospective financial position.
- 2) Bank's ability to pledge adequate securities against County funds.
- 3) Experience with similar accounts in providing depository services requested.
- 4) Net rate of return on County funds.
- 5) Ability to meet service requirements.
- 6) Cost of services.
- 7) Cash management products available that will enhance the County's banking procedures.

- 2.1 COMPLIANCE WITH STATUTES** – By submitting this RFA, Bank acknowledges understanding of State Statutes of Texas as stipulated by 116.000 through 116.155, and Chapter 117.001 through 117.125 that pertain to the managing and safekeeping of County funds, including but not limited to those specified, and will comply with those statutes throughout the duration of the contract.
- 2.2 BANK AFFILIATION** – All banks **MUST** be members of the Federal Reserve System and the Federal Deposit Insurance Corporation and **MUST** be able to perform all services required in this Request for Application. A bidding bank **MUST** be a Federal or Texas chartered bank doing business in and having a full service facility within the County of Webb, Texas.



**2.3 DURATION/TERMS** – The contract will be effective for a period of four (4) years from the time fixed by law for the next selection of a depository. (June 1, 2019 to May 31, 2023). If a time deposit maturity extends beyond the expiration date of the depository contract, the Depository will pledge to Webb County sufficient securities required by law for public funds for the maturity of the time deposit.

**2.4 RENEGOTIATIONS** – The bank shall provide written notification of the Depository's desire to renegotiate at least 45 days prior to the end of the two-year mark of the depository contract. Webb County reserves the right to select the rate most favorable to the County at any time during the term of the contract, within the guidelines of Section 116.021 (b) of the Code.

Section 116.021 (b) (1) (2) of the Code specifies that:

“If the contract is for a four-year term, the contract **SHALL** allow the County to establish, on the basis of negotiation with the Bank, new interest rates and financial terms of the contract that will take effect during the final two years of the four-year contract.

**2.5 QUALIFICATIONS DEPOSITORY OR SUBDEPOSITORY** – Within 15 days after the date a bank is selected as a county depository or sub depository, the bank must qualify as the depository or sub depository by providing security for the funds to be deposited by the county with the bank. The depository or sub depository may secure these funds, at the option of the Commissioners Court, by:

- (1) personal bond; surety bond; bonds, notes, and other securities; first mortgages on real property; real property; certificates of deposit; or a combination of these methods, as provided by this subchapter; or*
- (2) investment securities or interests in them as provided by Chapter 726, Acts of the 67th Legislature, Regular Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes).*

**2.6 COLLATERAL** – The Depository Bank must include, as part of their proposal, an explanation of how the bank intends to ensure, on a monthly basis, that sufficient collateral is pledged to protect covered accounts. In addition, a detailed monthly pledged collateral-to-deposit report is required from the Depository Bank. Pledged securities acceptable under this proposal will be U.S Treasuries and Agencies with a stated maturity of 5 years or less.

This report shall contain security descriptions, par value/current face and current market value and will be submitted no later than the 3<sup>rd</sup> business day of each month. The report may be emailed directly to the Treasurer's Office at [raulreyes@webbcountytx.gov](mailto:raulreyes@webbcountytx.gov) however, the original document must follow be mailed to **Attn: Webb County Treasurer, 1110 Washington St. Ste. 202, Laredo, Texas 78040.**

To compensate for increases or decreases in County deposits and fluctuations of market value of pledged collateral, the minimum market value of pledged collateral shall be 110% of County deposits.

- 2.7 VALUE OF COLLATERAL** – The Depository Bank MUST propose how it will value pledged securities. The County, at any time, may investigate the value of any of the securities pledged by the bank. The full cooperation of the bank is required in such instance.
- 2.8 INVESTMENTS MADE OUTSIDE DEPOSITORY BANK** – Webb County reserves the right to withdraw, from time to time, any amount of funds of the County that are deposited in the County Depository and to make external investments in accordance with the Laws of the State of Texas and the Investment Policy of Webb County. All investment purchases shall be made on a delivery versus payment basis.
- 2.9 MERCHANT SERVICES** – The Depository Bank will process at the County's election, taxpayer credit or debit card payment transactions on behalf of the County.
- 2.10 FINANCIAL STATEMENTS** – Banks desiring to be designated, as the County's Depository Bank will include as part of the RFA, a statement showing the financial condition of the bank as of the date of application.
- 2.11 WEBB COUNTY INVESTMENT POLICY:** Webb County operates under an Investment Policy adopted by the Webb County Commissioner's Court. Understanding and compliance of this policy and state law (Local Government Code Chapter 116 "Depositories for County Public Funds", Chapter 117 "Depositories for Certain Trust Funds and Court Registry Funds" and Government Code, Chapter 2256, "Public Funds Investment") is a required part of this depository contract.

A copy of the Webb County Investment Policy is enclosed with this RFA and will be included as part of the depository contract with successful Bank.

## **SERVICES**

- 3.1 CONTACT PERSON AND BRANCH LOCATION** – Prior to the effective date of the Depository contract, bank must identify a local senior level management person who will be responsible for overseeing the County's entire relationship and would serve as the County's primary contact for the bank. This would include the ability to make decisions regarding operational aspects of the contract. A trained and competent backup for this individual, familiar with the account, should be assigned in the proposal. The bank will provide a list of branch locations as well.

In addition to the contact person and branch location, the Bank shall provide a list of contact personnel who are qualified to provide information and assistance in the following areas:

- General Information
- Safekeeping and Securities Clearance
- Posting and Deposit Discrepancies
- Stop Payments
- Balance Adjustments
- Collateral Adequacy
- Internal Transfers
- Wire Transfers
- Online PC Service
- Payroll Direct Deposit Transactions
- Certificate of Deposit rate quotes

- Merchant Services
- Investment Services

**3.2 ELECTRONIC (ON-LINE) BANKING SERVICES** – The Depository Bank will provide an ON-LINE PC communication link to the County for daily reporting of fund balances, collected and ledger balances, detailed debits and credits and stop payment requests. For bidding purposes, attach product description, pricing and sample reports for the on-line PC link available. Depository Bank will also provide built in security features.

**3.3 STATEMENTS** – Monthly bank statements will include computer images of checks, deposit slips, transfer slips and debit and credit memos processed for **ALL** accounts. Missing items within a statement will be disclosed at the time statements are submitted. An example of the Bank’s statement must be included with this Request for Application.

Electronic statements will be processed and ready no later than five (5) business days after the close of each month. The statement cutoff will be the last day of each month. The monthly bank statement shall include copies of all checks and deposits. Checks shall be presented in fine numerical order and all deposits shall be arranged by the date of the deposit.

The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, will also be included in each monthly statement.

Monthly interest statements may be required on the County and District Clerk’s Trust and CD accounts.

Monthly statements will be provided on Merchant Services if applicable.

**3.4 MONTHLY ACCOUNT ANALYSIS REPORTS** – Electronic monthly account analysis reports will be provided for each account and on a total account basis. The account analysis will contain, at a minimum, the following:

- Daily average ledger balance
- Average collected balance
- Price levels for each activity
- Earnings allowance
- Daily average float
- Monthly volume by type

**3.5 PAYROLL DIRECT DEPOSIT** – Bank must provide the capability for the County to utilize “Direct Deposit” payroll processing, allowing employees to select the bank(s) of their choice. Bank must indicate the manner of transmission for Direct Deposit, time requirement and funds availability in participating banks.

- 3.6 PAYROLL CARD PROGRAM** – Does your Bank provide the capability for the County to utilize a "Payroll Card Program"? Please provide a written statement of this service (if offered) and any costs associated with this service.
- 3.7 ACH TRANSACTIONS** – Bank must provide for acceptance of ACH (Automated Clearing House) credits and debits. The bank must conform to National Automated Clearing House Association (NACHA) and Uniform Commercial Code Article 4A (UCC4A) rules.
- 3.8 INTEREST RATES** – The bidding Bank should quote floating and fixed interest rate bids on accounts and certificates of deposit. Webb County reserves the right to select the rate most favorable to the County at any time during the term of the contract, within the guidelines of Section 116.021 (b) of the Code. The Bank should also quote rates for loans made to the County.
- 3.9 STALE DATED CHECKS** – The bank will agree not to honor stale dated checks on Webb County accounts, which are not endorsed by the County as acceptable after the 90-day limit.
- 3.10 STOP PAYMENTS** – The Bank will be required to process stop payments on verbal instructions from the County Treasurer or his designee with follow-up written confirmation.
- 3.11 STANDARD DISBURSEMENT SERVICES** – The Bank will furnish standard disbursing services for all accounts to include the payment of all County checks upon presentation. Bank must also agree to cash, without charge to the County or County employee, a County employees' payroll check whether or not the employee has an account with the Depository Bank (including any of the bank's locations).
- 3.12 STANDARD DEPOSIT SERVICES** – The Bank must guarantee immediate credit on all incoming wire transfers, ACH transactions and U.S. Treasury checks upon receipt and all other checks based on the Bank's published availability schedule provided with this document. The Bank must specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit service and procedures.
- 3.13 CASH OVERDRAFTS** – For the purpose of determining cash overdrafts, the daily cash balance in all County accounts will be added together and if a negative balance occurs, the County's account is considered to be over-drafted. If, after three (3) days the County's account remains over-drafted, the bank should quote an interest rate charged on negative balance.
- 3.14 COMPUTERIZED OUTPUT** – Does your Bank provide a media disk of paid items that can be utilized in the bank account reconciliation process? Is this item available through on-line banking services? Does your bank provide export capabilities? Please provide written statements explaining these services (if offered).
- 3.15 SECURITY SAFEKEEPING** – Bank must provide for physical and book entry/DTC (Depository Trust Company) acceptance and safekeeping of investment securities. Securities will be held by Trust Department.
- Please indicate costs associated with a security purchase settlement.
- 3.16 CASH MANAGEMENT** – On an ongoing basis, the County may require cash management advice as to how accounts and procedures should be structured. The County must be kept

informed of recent developments in cash management products available from the Depository Bank.

Banks are invited to propose additional cash management services and costs associated with services that are not specified herein.

- 3.17 WIRE TRANSFERS** – Bank must provide the ability to send wire transfers on an automated or manual basis, as well as provide the ability to receive wire transfers. This section will apply to “account to account” transfers and wire transfers for investment purchases. Emailed/Faxed requests must be accepted when initiated by the County Treasurer. Bank must provide the ability to restrict outgoing wire transfers (debits) to only those authorized by Webb County. Bank must provide notification of direct deposits.
- 3.18 MERCHANT SERVICES** – Provide a summary of fees and service available to Webb County for Merchant Card Services if provided by Bank. Webb County currently uses 3<sup>rd</sup> party vendors to offer this service in the following County Offices: Tax Assessor-Collector, Water Utilities, Justice of the Peace Offices, Judicial Collections and Golf management. The County anticipates use of this service in other County offices as well. This is not a mandatory requirement but an optional service Webb County is considering as part of the depository contract.
- 3.19 BANK BAGS** – The Bank will furnish the County with night depository services including locking bags with keys.
- 3.20 ATM SERVICES** – Does your bank provide off-site ATM Services? Please provide a written statement explaining this service (if offered) and a list of all locations.
- 3.21 POSITIVE PAY** – Does your bank provide for Positive Pay Services? Please provide a written statement explaining this service, any set-up fee and any transaction fees.
- 3.22 COST TO COUNTY FOR CHANGING DEPOSITORY** – If your Bank is awarded the Depository Contract and you are not the current Depository, what can or will your Bank do to help defer the expense of the change? Please include in an attached summary the estimated costs of replacing and reconfiguring software programs for online PC communications link, costs of replacing all checks and deposit slip stock for all County accounts and offices and replacement costs for bank bags, endorsements, stamps, etc.
- 3.23 OTHER UNSPECIFIED SERVICES AND/OR COSTS** – Other services and/or costs not specified in this document should be listed and attached, along with a description and unit pricing of the service. The County shall not be obligated to pay for any service not specified in this Proposal unless mutually agreed upon between the County and the Bank.
- 3.24 PAYMENT FOR SERVICES** – Compensation for approved services shall be provided to the Depository Bank on a direct fee basis based on an account analysis. Interest paid to the County on the overnight investments shall not be included in the account analysis. An earnings credit on checking accounts will be applied to the direct fees paid for bank services. However, if the County does incur service charges under this contract, the account analysis will be considered an invoice for payment.

The Bank must notify The County Treasurer of any account closing.

The Bank shall also provide procedures to review checks that require dual-signatures.

The County's bank accounts will generally be structured as follows

- **Non-Interest Bearing Checking Accounts** – Webb County will have accounts established under these specifications for disbursing written checks, depositing funds, processing wire, ACH and internal transfers.
- **Interest Bearing Checking Accounts** – Webb County will have accounts established under these specifications for disbursing written checks, depositing funds, processing wire, ACH and internal transfers.
- **Zero Balance Account** – Webb County may have accounts that maintain a zero balance (i.e. Payroll). The Bank will be responsible for transferring funds to cover the balance in this account.
- **Sweep Accounts (if applicable)** –If the County chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option. Describe the Bank's available sweep options.
- **Trust Funds and Court Registry Funds** – Separate Individual Savings Accounts. These accounts may house the District and County Clerks' Trust and Registry funds as mandated by the court(s). These accounts will be in the beneficiary's Social Security number, with the Clerk listed as the Trustee. There are occasions when the trust funds will not be deposited in the Depository Bank by order of the court.

The County reserves the right to invest any or all funds outside this contract.

- **Certificates of Deposit** – county operating funds and County Clerk's Trust Funds.

### **3.25. Conflict of Interest**

The contract or contracts in this solicitation are subject to Texas Govt. Code Sec. 2261.252(b), which prohibits the Webb County from entering into contracts with certain private vendors in which certain Webb County officers and employees have a financial interest. Each respondent shall include in its proposal a statement that it is not prohibited from entering into a contract with Webb County as a result of a financial interest as defined under Texas Govt. Code Sec. 2261.252(b).

A conflict of interest may involve conflicting incentives with regard to the firm as a whole, or any employee. The conflict may arise between the provider's work under a contract entered as a result of this solicitation and a relationship involving Webb County, a construction contractor, another engineering firm, a materials testing firm, a third party affected by the project, a sub provider for any other consultant or contractor, or any other entity with an interest in a project on which work is performed under a contract entered as a result of this solicitation.



### **3.26 Texas Ethics Commission Requirement Notification:**

In 2015, the Texas Legislature adopted [House Bill 1295](#), which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

A signed and notarized Form 1295 shall be tendered to Webb County by providers selected to receive a contract prior to contract execution. Webb County will not evaluate the information provided, or respond to any questions on how to interpret the Texas Ethics Commission's rules.

For additional information, please reference the Texas Ethics Commission webpage at: <https://www.ethics.state.tx.us/tec/1295-Info.htm>

### **3.27 Webb County Purchasing Code of Ethics Policy**

The County of Webb will ensure that it will promote and enforce proper ethical conduct by all Vendors, Procurement Officials, Elected Officials and County employees directly or indirectly involved in the procurement process. All vendors wishing to participate in any solicitation must sign and notarize the affidavit form included as part of this solicitation package and upload with your electronic submission. ***Failure to submit form will disqualify your bid or proposal package from being considered.***

The Ethics Policy can be viewed at the Webb County Purchasing Agents website listed below for vendors to read prior to signing and submitting the affidavit form.

<http://www.webbcountytexas.gov/PurchasingAgent/PurchasingEthicsPolicy.pdf>

The Webb County Purchasing Board approved the Code of Ethics policy on April 19, 2018 and adopted by the Webb County Commissioners Court on May 14, 2018.

When responding to an Active Solicitation, Vendors shall be required to disclose donations and campaign contributions by the Vendor or any individual or entity acting on the Vendor's behalf to the Purchasing Agent or his designee made within six (6) months prior to the date of the Active Solicitation. **Failure by a Vendor to accurately disclose such contributions may result in the Vendor's disqualification, debarment, or contract voidance as per Section 18 of the Ethics Policy.**





**BID WORKSHEET B**

**Certificates of Deposit – Variable Interest Rate: \***

91-Day US T-Bill effective Rate (as determined by latest T-Bill Auction)

	Less than \$100,000	More than \$100,000
1. Maturity 7-29 days	+/- _____ basis points	+/- _____ basis points
2. Maturity 30-59 days	+/- _____ basis points	+/- _____ basis points
3. Maturity 60-89 days	+/- _____ basis points	+/- _____ basis points
4. Maturity 90-179 days	+/- _____ basis points	+/- _____ basis points
5. Maturity 180 days > one year	+/- _____ basis points	+/- _____ basis points
6. Maturity 1 < year	+/- _____ basis points	+/- _____ basis points

*Rate to be determined by the above formula and fixed for the term of CD.*

\*91 day US T-Bill minus 10BP with a cap of 1.75%.



**BID WORKSHEET C-1**

**DEPOSITORY BANK SERVICES PROVIDED**

	Service Offered		Charge
	<u>Yes</u>	<u>NO</u>	
Printing and furnishing statement binders	_____	<u>X</u>	\$ _____
Night depository services, including bags and keys	<u>X</u>	_____	\$ <u>sm \$18.00; lg \$23.00</u>
Checks (images) sorted in numerical sequence	<u>X</u>	_____	\$ <u>varies based on # of enclosures</u>
Safe Deposit Box Size <u>3X5=\$35; 5X5=\$55; 10X5=\$85; 10X10=\$150</u>	<u>X</u>	_____	\$ <u>yearly</u>
ACH Origination	<u>X</u>	_____	\$20.00 + \$0.10/item for 4 files \$5th file+ only per item fee applies
Positive Pay Services & Related Fees (Please include any supporting information about software, training, etc. on a separate written statement)	<u>X</u>	_____	\$ <u>25.00 - \$0.02/item</u>
With Name Verification? *only for IBC/Commerce Bank accounts	_____	_____	\$ _____
Reverse Positive Pay	<u>X</u>	_____	\$ <u>-0-</u>
Procurement Cards      Visa Credit Card	_____	_____	\$ _____
Payroll Direct Deposit	<u>X</u>	_____	\$ <u>20.00 + \$0.10/item</u>
Plastic Payroll	<u>X</u>	_____	\$ <u>3.50/card (initial card fee)</u>
Provide safe-keeping for outside purchases of securities by Webb County at a Third Party financial Institution, or with the Federal Reserve Bank	_____	<u>X</u>	\$ _____
Allow eligible repurchase agreements or eligible money market mutual funds from the Bank's portfolio of U.S. Government obligations on an overnight or on a weekend basis.	_____	<u>X</u>	\$ _____
Computer telecommunications link from which Webb County accounts will be monitored by only authorized individuals in the Treasurer's Office.	<u>X</u>	_____	\$ <u>-0-</u>

**BID WORKSHEET C-2**

**DEPOSITORY BANK SERVICES PROVIDED**

	Service Offered		Charge
	<u>Yes</u>	<u>NO</u>	
Computer export capabilities: (Explain on separate written statement)	_____	_____	\$ _____
Point of Purchase Check Conversion (POP)	<u>  X  </u>	_____	\$ <u>0.95</u>
Sweep Accounts	<u>  X  </u>	_____	\$ <u>100.00</u>
Zero balance accounts (ZBA)	<u>  X  </u>	_____	\$ <u>50.00</u>
Cash Dispensing Machine (Cost of equipment- hardware/software, cost per transaction)	_____	<u>  X  </u>	\$ _____
Armored Car Service	_____	<u>  X  </u>	\$ _____
Balance Thresholds?	_____	_____	\$ _____
Short-term Financing			
Fixed Rate _____%			
Variable Rate _____%	<u>  X  </u>	_____	Variable prime rate (no fix rates)
Interest on loans to be calculated on a 360-day basis			

**BID WORKSHEET D**

**MERCHANT SERVICES PROVIDED \***

	Service Offered		Charge
	YES	NO	
Terminal Lease	_____	_____	\$ _____
Terminal Purchase	_____	_____	\$ _____
Printer Lease	_____	_____	\$ _____
Printer Purchase	_____	_____	\$ _____
Combined Terminal/Printer Lease	_____	_____	\$ _____
Pin Pad Lease	_____	_____	\$ _____
PC Software	_____	_____	\$ _____
Voice Authorization	_____	_____	\$ _____
Set-up Fee	_____	_____	\$ _____
Monthly Service Fee	_____	_____	\$ _____
Imprinter Standard Size	_____	_____	\$ _____
Terminal Support 24 hours per day	_____	_____	\$ _____
Credit Card Transaction Fee	_____	_____	\$ _____
Transaction Fee (AmEx)	_____	_____	\$ _____
Debit Card Item (POS)	_____	_____	\$ _____
Chargeback Fee	_____	_____	\$ _____
Discount Rate	_____	_____	\$ _____

\*Third party merchant is First Data and customer signs a separate contract with them detailing fees.

- contacts: Homero Lugo 956-645-9285 or Jorge Perez 956-635-1927

Application Submitted by:

---

The following person duly authorized to act on behalf of this financial institution is submitting this Request for Application titled RFA 2019-001 "Bank Depository for Webb County" to the County of Webb.

Name and address of Bank:

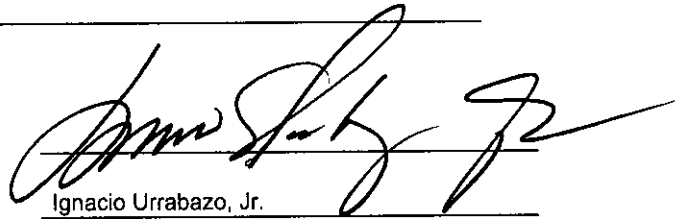
FDIC Certificate # 23772

Commerce Bank

5800 San Dario Ave.

Laredo, TX 78041

Office Signature:



Officer Name:

Ignacio Urrabazo, Jr.

Title of Officer:

President

Telephone Number:

956-724-1616

*Signature indicates respondent accepts the specifications, terms and conditions of this solicitation.*



**References:**

List three (3) references that have received similar services by your Bank. Please include a phone number and name of contact person. Other governmental units are preferred.

Business Name	Contact Person	Telephone Number
<u>Webb County</u>	<u>Delia Perales/Raul Reyes</u>	<u>956-523-4154</u>
_____	_____	_____
_____	_____	_____



**CONFLICT OF INTEREST QUESTIONNAIRE**  
For vendor doing business with local governmental entity

**FORM CIQ**

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.  
This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).  
By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.  
A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**OFFICE USE ONLY**

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

N/A

2  Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

N/A

3 Name of local government officer about whom the information is being disclosed.

N/A

None  
Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

N/A

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes  No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes  No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

N/A

6  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

N/A

7 [Signature]  
Signature of vendor doing business with the governmental entity

4-12-19  
Date

**CONFLICT OF INTEREST QUESTIONNAIRE**  
**For vendor doing business with local governmental entity**

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;

or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

**CERTIFICATION**  
REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY  
EXCLUSION FOR COVERED CONTRACTS

**PART A.**

Federal Executive Orders 12549 and 12689 require the Texas Department of Agriculture (TDA) to screen each covered potential contractor to determine whether each has a right to obtain a contract in accordance with federal regulations on debarment, suspension, ineligibility, and voluntary exclusion. Each covered contractor must also screen each of its covered subcontractors.

In this certification "contractor" refers to both contractor and subcontractor; "contract" refers to both contract and subcontract.

By signing and submitting this certification the potential contractor accepts the following terms:

1. The certification herein below is a material representation of fact upon which reliance was placed when this contract was entered into. If it is later determined that the potential contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the Department of Health and Human Services, United States Department of Agriculture or other federal department or agency, or the TDA may pursue available remedies, including suspension and/or debarment.
2. The potential contractor will provide immediate written notice to the person to which this certification is submitted if at any time the potential contractor learns that the certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
3. The words "covered contract", "debarred", "suspended", "ineligible", "participant", "person", "principal", "proposal", and "voluntarily excluded", as used in this certification have meanings based upon materials in the Definitions and Coverage sections of federal rules implementing Executive Order 12549. Usage is as defined in the attachment.
4. The potential contractor agrees by submitting this certification that, should the proposed covered contract be entered into, it will not knowingly enter into any subcontract with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Department of Health and Human Services, United States Department of Agriculture or other federal department or agency, and/or the TDA, as applicable.

Do you have or do you anticipate having subcontractors under this proposed contract?

Yes

No

5. The potential contractor further agrees by submitting this certification that it will include this certification titled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion for Covered Contracts" without modification, in all covered subcontracts and in solicitations for all covered subcontracts.
6. A contractor may rely upon a certification of a potential subcontractor that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered contract, unless it knows that the certification is erroneous. A contractor must, at a minimum, obtain certifications from its covered subcontractors upon each subcontract's initiation and upon each renewal.
7. Nothing contained in all the foregoing will be construed to require establishment of a system of records in order to render in good faith the certification required by this certification document. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
8. Except for contracts authorized under paragraph 4 of these terms, if a contractor in a covered contract knowingly enters into a covered subcontract with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, Department of Health and Human Services, United States Department of Agriculture, or other federal department or agency, as applicable, and/or the TDA may pursue available remedies, including suspension and/or debarment.

**PART B. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION FOR COVERED CONTRACTS**

Indicate in the appropriate box which statement applies to the covered potential contractor:

- The potential contractor certifies, by submission of this certification, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract by any federal department or agency or by the State of Texas.
- The potential contractor is unable to certify to one or more of the terms in this certification. In this instance, the potential contractor must attach an explanation for each of the above terms to which he is unable to make certification. Attach the explanation(s) to this certification.

Name of Contractor	Vendor ID No. or Social Security No.	Program No.
Commerce Bank	74-2211742	

  
Signature of Authorized Representative

4-12-19  
Date

Ignacio Urrabzo, Jr., President

Printed/Typed Name and Title of  
Authorized Representative



8

**WEBB COUNTY PURCHASING DEPT.  
QUALIFIED PARTICIPATING VENDOR CODE OF ETHICS  
AFFIDAVIT FORM**

STATE OF TEXAS \*

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WEBB \*

BEFORE ME the undersigned Notary Public, appeared Ignacio Urrabazo Jr, the herein-named "Affiant", who is a resident of Webb County, State of Texas and upon his/her respective oath, either individually and/or behalf of their respective company/entity, do hereby state that I have personal knowledge of the following facts, statements, matters, and/or other matters set forth herein are true and correct to the best of my knowledge.

*I personally, and/or in my respective authority/capacity on behalf of my company/entity do hereby confirm that I have reviewed and agree to fully comply with all the terms, duties, ethical policy obligations and/or conditions as required to be a qualified participating vendor with Webb County, Texas as set forth in the Webb County Purchasing Code of Ethics Policy posted at the following address: <http://www.webbcountytexas.gov/PurchasingAgent/PurchasingEthicsPolicy.pdf>*

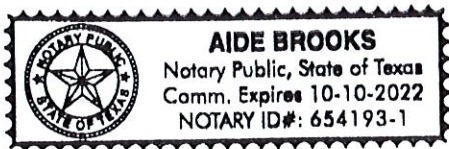
*I personally, and/or in my respective authority/capacity on behalf of my company/entity do hereby further acknowledge, agree and understand that as a participating vendor with Webb County, Texas on any active solicitation/proposal/qualification that I and/or my company/entity failure to comply with the Code of Ethics policy may result in my and/or my company/entity disqualification, debarment or make void my contract awarded to me, my company/entity by Webb County. I agree to communicate with the Purchasing Agent or his designees should I have questions or concerns regarding this policy to ensure full compliance by contacting the Webb County Purchasing Dept. via telephone at (956) 523-4125 or e-mail to the Webb County Purchasing Agent to [joel@webbcountytexas.gov](mailto:joel@webbcountytexas.gov).*

Executed and dated this 12<sup>th</sup> day of April, 2019.

*Ignacio Urrabazo Jr*  
Signature of Affiant

Ignacio Urrabazo, Jr.  
Printed Name of Affiant/Company/Entity

SWORN to and subscribed before me, this 12<sup>th</sup> day of April, 2019

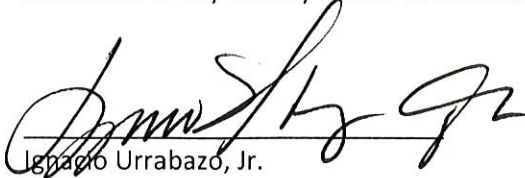


*Aide Brooks*  
NOTARY PUBLIC, STATE OF TEXAS

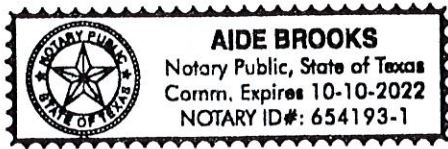


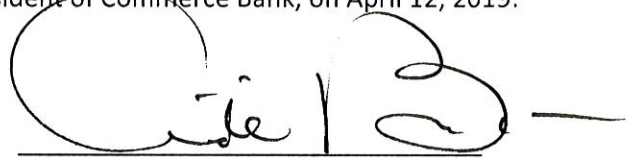
**CERTIFICATION**

I, Ignacio Urrabazo, Jr., certify that either Commerce Bank or I have made any contributions or political donations to any County officer or elected official of Webb County within the last six months.

  
Ignacio Urrabazo, Jr.

Acknowledged before me by Ignacio Urrabazo, Jr., President of Commerce Bank, on April 12, 2019.



  
Aide Brooks, Notary Public

PROOF OF NO DELINQUENT TAXES OWED TO WEBB COUNTY

Name Commerce Bank owes no delinquent property taxes to Webb County.

Commerce Bank owes no property taxes as a business in Webb County.  
(Business Name)

Commerce Bank owes no property taxes as a resident of Webb County.  
(Business Owner)

Ignacio Urrabazo Jr  
Person who can attest to the above information

**\* SIGNED NOTORIZED DOCUMENT AND PROOF OF NO DELINQUENT TAXES TO WEBB COUNTY.**

The State of Texas  
County of Webb

Before me, a Notary Public, on this day personally appeared Ignacio Urrabazo, Jr , Pres. of Commerce Bank, know to me (or proved to me on the oath of \_\_\_\_\_) to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 12th day of April 20 19.

Notary Public, State of Texas



Aide Brooks

(Print name of Notary Public here)

My commission expires the 10th day of October 2022.

**CERTIFICATION REGARDING FEDERAL LOBBYING**  
**(Certification for Contracts, Grants, Loans, and Cooperative Agreements)**

**PART A. PREAMBLE**

Federal legislation, Section 319 of Public Law 101-121 generally prohibits entities from using federally appropriated funds to lobby the executive or legislative branches of the federal government. Section 319 specifically requires disclosure of certain lobbying activities. A federal government-wide rule, "New Restrictions on Lobbying", published in the Federal Register, February 26, 1990, requires certification and disclosure in specific instances.

**PART B. CERTIFICATION**

This certification applies only to the instant federal action for which the certification is being obtained and is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$100,000 for each such failure.

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with these federally funded contract, subcontract, subgrant, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions. (If needed, contact the Texas Department of Agriculture to obtain a copy of Standard Form-LLL.)

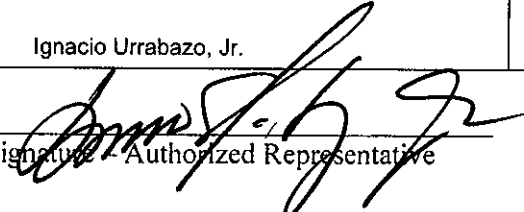
3. The undersigned shall require that the language of this certification be included in the award documents for all covered subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all covered subrecipients will certify and disclose accordingly.

Do you have or do you anticipate having covered subawards under this transaction?

- Yes  
 No

Name of Contractor/Potential Contractor	Vendor ID No. or Social Security No.	Program No.
Commerce Bank	74-2211742	

Name of Authorized Representative	Title
Ignacio Urrabazo, Jr.	President

  
Signature - Authorized Representative

4-12-19  
Date



## List of ATM machines

Modified Source Data

Bank	ATM_ID	Make	Model	DEPOSIT	Location Name	Address	City	State_abrv	Zip
Laredo	404	N	6634DU	Upgrade	El Banquito Heights	1302 Guadalupe St	Laredo	TX	78040
Laredo	2400	N	6634DU	Upgrade	EL Banquito Mines Rd.	9710 Mines Rd	Laredo	TX	78045
Laredo	2402	N	6622	Regular ATM	Main Bank Lobby	1200 San Bernardo Ave	Laredo	TX	78040
Laredo	2403	N	6634DU	Regular ATM	El Banquito Del Mar	7002 San Bernardo Ave	Laredo	TX	78041
Laredo	2406	N	6622	Regular ATM	Doctors Hospital	10700 McPherson Rd	Laredo	TX	78045
Laredo	2408	N	6622	Regular ATM	Wal-Mart	5610 San Bernardo Ave	Laredo	TX	78041
Laredo	2409	N	6622	Regular ATM	Mercy Hospital ER	1700 E Saunders St	Laredo	TX	78041
Laredo	2410	N	6622	Regular ATM	Wal-Mart	4401 ZAPATA HWY	Laredo	TX	78046
Laredo	2414	N	6626	Regular ATM	El Banquito Heights	1302 Guadalupe St	Laredo	TX	78043
Laredo	2415	N	6634DU	Check/Cash	Chic-Fil-A	5112 McPherson Rd	Laredo	TX	78041
Laredo	2416	N	6634DU	Check/Cash	BBC Motor Bank	1320 San Dario Ave	Laredo	TX	78040
Laredo	2417	N	6622	Regular ATM	Webb County Tax Assessor	1110 Victoria St Ste. 107	Laredo	TX	78040
Laredo	2418	N	6634DU	Check/Cash	El Banquito South (Front)	2415 S Zapata Hwy	Laredo	TX	78046
Laredo	2419	N	6634DU	Check/Cash	El Banquito Jacaman	2418 Jacaman Rd	Laredo	TX	78041
Laredo	2422	N	6622	Regular ATM	Liverpool Electronics	302 Convent Ave	Laredo	TX	78040
Laredo	2424	N	6638	Upgrade	EL Banquito Mines Rd.	9710 Mines Rd	Laredo	TX	78045
Laredo	2425	N	6638	Upgrade	Plantation	7909 McPherson Ave	Laredo	TX	78045
Laredo	2426	N	6638	Upgrade	El Banquito South	2415 S Zapata Hwy	Laredo	TX	78046
Laredo	2428	N	6634DU	Check/Cash	El Banquito North	4501 San Bernardo Ave	Laredo	TX	78041
Laredo	2429	N	6634DU	Upgrade	El Banquito North	4501 San Bernardo Ave	Laredo	TX	78041
Laredo	2431	N	6634DU	Upgrade	Plantation	7907 McPherson RD	Laredo	TX	78045
Laredo	2433	N	6634DU	Check/Cash	Gonzalez Auto	4420 Jaime Zapata Memorial Hwy	Laredo	TX	78043
Laredo	2434	N	6634DU	Check/Cash	San Isidro Branch	2442 San Isidro PKWY	Laredo	TX	78045
Laredo	2435	N	6634DU	Check/Cash	Matamoros Drive-Up	902 Matamoros St.	Laredo	TX	78040
Laredo	2436	N	6632	Check/Cash	Plantation	7909 McPherson RD	Laredo	TX	78045
Laredo	2437	N	6634WU	Regular ATM	Laredo Outlet	1600 Water St	Laredo	TX	78040
Laredo	2438	N	6622	Regular ATM	Laredo Energy Arena	6700 Arena Blvd	Laredo	TX	78041
Laredo	2500	N	6626	Regular ATM	El Banquito Downtown	1002 Matamoros St	Laredo	TX	78041
Laredo	2501	N	6626	Regular ATM	Mail Del Norte 2	5300 San Dario Ave	Laredo	TX	78041
Laredo	2502	N	6626	Regular ATM	Mail Del Norte 1	5300 San Dario Ave STE 440d	Laredo	TX	78041
Laredo	2503	N	6626	Regular ATM	Mail Del Norte 3	5300 San Dario Ave STE 440d	Laredo	TX	78041
Laredo	2506	N	6634WU	Check/Cash	Main Bank	1200 San Bernardo Ave	Laredo	TX	78040
Laredo	2507	N	6626	Regular ATM	Walmart	2320 Bob Bullock Loop	Laredo	TX	78043
Laredo	2509	N	2016	Regular ATM	La Posada Hotel Lobby	1000 Zaragoza St	Laredo	TX	78040
Commerce	2590	N	6634DU	Check/Cash	Saunders Branch	2120 Saunders	Laredo	TX	78041
Commerce	2591	N	6634DU	Regular ATM	South Branch	2302 Blaine St	Laredo	TX	78043
Commerce	2592	N	6634DU	Upgrade	Commerce Main Bank	5800 San Dario Ave	Laredo	TX	78041
Commerce	2595	N	6634DU	Check/Cash	Saunders Drive-Up	2114 E Saunders St	Laredo	TX	78041
Commerce	2598	N	6634DU	Check/Cash	McPherson Branch	1200 Welby Ct	Laredo	TX	78041
Commerce	2599	N	6634DU	Upgrade	Commerce Main Bank	5800 San Dario Ave	Laredo	TX	78041
Zapata	2530	N	6626	Regular ATM	Rio Grande Walmart	4534 E US Highway 83	Rio Grande City	TX	78582
Zapata	2531	N	6634DU	Check/Cash	Remote Drive-Up	101 S Charco Blanco Rd	Rio Grande City	TX	78582



Modified Source Data

Zapata	2532	N	6634DU	Check/Cash	Main Bank	908 N US HWY 83	Zapata	TX	78076
Zapata	2534	N	6622	Regular ATM	Juniors Drive-In	102 TX-16	Zapata	TX	78076
Zapata	2535	N	6634DU	Upgrade	Hebbronville Branch	401 N Smith St	Hebbronville	TX	78361
Zapata	2536	N	6634DU	Upgrade	Alice Branch	2001 E Main St	Alice	TX	78332
Zapata	2537	N	6634DU	Upgrade	Freer Branch	405 S Norton Ave	Freer	TX	78357
Zapata	2538	N	6634DU	Upgrade	Kingsville Branch	1320 E General Cavazos Blvd	Kingsville	TX	78363
Zapata	2539	N	6622	Regular ATM	Rio Grande HEB	4031 E US Hwy 83	Rio Grande City	TX	78582
Zapata	3000	N	6634DU	Upgrade	Beeville Branch	802 E Houston St	Beeville	TX	78102
Zapata	3001	N	6634DU	Upgrade	Beeville Motor Bank	302 N St Marys St	Beeville	TX	78102
Zapata	3002	N	6634DU	Regular ATM	Kingsville University Bra	715 W Santa Gertrudis St	Kingsville	TX	78363
Zapata	3003	N	6638	Check/Cash	Roma Branch	1702 E Grant St	Roma	TX	78584
Zapata	3005	N	6634DU	Check/Cash	Rio Grande City Branch	4015 US-83	Rio Grande City	TX	78582
Zapata	3006	N	6634WU	Check/Cash	Roma Branch	1702 E GRANT ST	Roma	TX	78584
Zapata	3007	N	6638	Check/Cash	Main Bank	908 N US HWY 83	Zapata	TX	78076
San Antonio	2541	N	6634DU	Upgrade	Richland Hills	327 SW Loop 410	San Antonio	TX	78245
San Antonio	2542	N	6634DU	Check/Cash	Inwood Branch	16339 Huebner Rd	San Antonio	TX	78248
San Antonio	2543	N	6638	Upgrade	Nakoma Branch	12400 San Pedro Ave	San Antonio	TX	78216
San Antonio	2544	N	6622	Regular ATM	South Park Mall	2310 SW Military Dr Ste. 216	San Antonio	TX	78224
San Antonio	2548	N	6634DU	Check/Cash	San Marcos Branch	1081 Wonder World Dr	San Marcos	TX	78666
San Antonio	2549	N	6634DU	Upgrade	Luling Branch	200 S Pecan Ave	Luling	TX	78648
San Antonio	2746	N	6622	Regular ATM	Tesoro Service Center	8770 Tesoro	San Antonio	TX	78217
San Antonio	2757	N	6638	Upgrade	Callaghan Branch	6630 Callaghan Rd	San Antonio	TX	78229
San Antonio	2760	N	6634DU	Upgrade	Walzem Branch	5300 Walzem Rd	San Antonio	TX	78218
San Antonio	2769	N	6634WU	Upgrade	Castle Hills Branch	2201 NW Military Hwy	San Antonio	TX	78213
San Antonio	2785	N	6634DU	Upgrade	Stone Oak Branch	18750 Stone Oak Pkwy Ste. 100	San Antonio	TX	78258
San Antonio	2789	N	6634DU	Check/Cash	Helotes Branch	11831 Bandera Rd	Helotes	TX	78023
San Antonio	2918	N	6622	Regular ATM	CeeGee Service Center	2416 Ceegee St	San Antonio	TX	78217
San Antonio	2940	N	6634DU	Check/Cash	Marble Falls Branch	2401 US-281	Marble Falls	TX	78654
San Antonio	2946	N	6634DU	Upgrade	Brooks Branch	3119 SE Military Dr	San Antonio	TX	78223
San Antonio	2948	N	6634DU	Upgrade	Schertz Branch	3800 FM 3009	Schertz	TX	78154
San Antonio	2998	N	2016	Regular ATM	Schlitterbahn	14353 Commodore Dr	Corpus Christi	TX	78418
San Antonio	4004	N	6634DU	Upgrade	Roosevelt Branch	938 SE Military Dr	San Antonio	TX	78214
San Antonio	4008	N	6634DU	Check/Cash	Alamo Ranch Branch	11002 Culebra Rd	San Antonio	TX	78253
San Antonio	4012	N	6634DU	Upgrade	1500 Branch	1500 NE Interstate 410 Loop	San Antonio	TX	78209
San Antonio	4027	N	6634WU	Regular ATM	Embassy Row Drive-Up	13811 Embassy Row	San Antonio	TX	78216
San Antonio	4029	N	6634WU	Check/Cash	Main Branch	130 E Travis St	San Antonio	TX	78205
San Antonio	4030	N	6622	Regular ATM	Embassy Suites	125 E Houston St	San Antonio	TX	78205
San Antonio	4034	N	6626	Regular ATM	Visionworks	175 E Houston St Ste 100	San Antonio	TX	78205
San Antonio	4035	N	6634DU	Check/Cash	By Lowes	1663 N Interstate 35	New Braunfels	TX	78130
San Antonio	4036	N	6634DU	Check/Cash	Medical Center Branch	8650 Fredericksburg Rd	San Antonio	TX	78240
San Antonio	4037	N	6638	Check/Cash	Broadway Branch	5029 Broadway St	Alamo Heights	TX	78209
San Antonio	4038	N	6634DU	Regular ATM	Shopping Strip	1860 S Seguin Ave	New Braunfels	TX	78130
San Antonio	4039	N	6638	Regular ATM	Foster Rd	2036 N Foster Rd	San Antonio	TX	78244

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San Antonio	4040	N	6632	Check/Cash	Tesoro 1st Floor	8770 Tesoro	San Antonio	TX	78217
McAllen	735	N	6622	Regular ATM	Mission HERB	200 E Griffin Pkwy	Mission	TX	78572
McAllen	2452	N	6634DU	Upgrade	I Road Branch	1007 N I Rd	Pharr	TX	78577
McAllen	2454	N	6634DU	Upgrade	Palm Crossing	2900 W Expy 83	McAllen	TX	78501
McAllen	2456	N	6626	Regular ATM	Edinburg Walmart Branch	1724 W University Dr	Edinburg	TX	78539
McAllen	2458	N	6626	Regular ATM	Pentac Walmart	1705 Expressway 83	Pentac	TX	78576
McAllen	2459	N	6634DU	Check/Cash	Westlaco Branch	606 S Texas Blvd	Westlaco	TX	78596
McAllen	2460	N	6626	Regular ATM	Mission Walmart	2410 E Expy 83	Mission	TX	78572
McAllen	2461	N	6634DU	Check/Cash	Nolana Branch	2225 W Nolana Ave	McAllen	TX	78501
McAllen	2463	N	6634DU	Check/Cash	McColl Drive Up	4115 S McColl Rd	Edinburg	TX	78539
McAllen	2464	N	6634DU	Check/Cash	Jackson Rd Drive Up	820 S Jackson Rd	McAllen	TX	78503
McAllen	2465	N	6634DU	Check/Cash	Shary Rd Drive Up	121 S Shary Rd	Mission	TX	78574
McAllen	2550	N	6626	Regular ATM	LA Plaza E Mail	2200 S 10th St	McAllen	TX	78503
McAllen	2551	N	6626	Regular ATM	LA Plaza W Mail	2200 S 10th St	McAllen	TX	78503
McAllen	2552	N	6634WU	Check/Cash	Main Bank	1 S Broadway St	McAllen	TX	78501
McAllen	2553	N	6634DU	Check/Cash	IBC Main Motor bank	1301 Ash Ave	McAllen	TX	78501
McAllen	2554	N	6634DU	Check/Cash	El Barquito	301 S 10th St	McAllen	TX	78501
McAllen	2557	N	6626	Regular ATM	Alamo Wal-Mart	1421 W Frontage Rd	Alamo	TX	78516
McAllen	2558	N	6634DU	Upgrade	I Road Branch	1007 N I Rd	Pharr	TX	78577
McAllen	2559	N	6634DU	Upgrade	Edinburg 107 Branch	2205 W University Dr	Edinburg	TX	78539
McAllen	2850	N	6634WU	Upgrade	Edinburg Branch	400 S Closer Blvd	Edinburg	TX	78539
McAllen	2851	N	6634DU	Check/Cash	Pharr Branch	401 S Cage Blvd	Pharr	TX	78577
McAllen	2854	N	6634DU	Upgrade	North 10th Branch	3600 N 10th St	McAllen	TX	78501
McAllen	2855	N	6634DU	Upgrade	Mission Branch	900 N Bryan Rd	Mission	TX	78572
McAllen	2856	N	6622	Regular ATM	Las Tiendas Walmart	1200 E Jackson Ave	McAllen	TX	78503
McAllen	2950	N	6622	Regular ATM	Palmhurst Branch	215 E Mile 3 Rd	Mission	TX	78574
McAllen	2951	N	6634DU	Upgrade	Hidalgo Branch	1023 S Bridge St	Hidalgo	TX	78557
McAllen	2952	N	6622	Regular ATM	Westlaco Walmart	1310 Texas Blvd N	Westlaco	TX	78599
McAllen	2953	N	6634DU	Upgrade	Trenton Branch	7124 N 23rd Ln	McAllen	TX	78504
McAllen	2954	N	6622	Regular ATM	San Juan Jr's	108 E FM 495	San Juan	TX	78589
McAllen	2958	N	6622	Regular ATM	Nolana Wal-Mart	2800 W Nolana Ave	McAllen	TX	78504
McAllen	2959	N	6622	Regular ATM	McColl Wal-Mart	4101 S McColl Rd	Edinburg	TX	78539
Port Lavaca	2581	N	6634DU	Upgrade	Bay City Branch	1916 7th St	Bay City	TX	77414
Port Lavaca	2585	N	6638	Upgrade	H.E.B. Parking Lot	101 Calhoun Plaza	Port Lavaca	TX	77979
Port Lavaca	2586	N	6634DU	Upgrade	Victoria Branch	6411 N Navarro St	Victoria	TX	77904
Corpus Christi	2790	N	6634DU	Check/Cash	Corpus Christi Main	221 S Shoreline Blvd	Corpus Christi	TX	78401
Corpus Christi	2791	N	6634DU	Check/Cash	Harbor Oaks	2810 Hwy 35 N	Rockport	TX	78382
Corpus Christi	2792	N	6638	Regular ATM	Rockport Branch	2701 Hwy 35 N	Rockport	TX	78382
Corpus Christi	2793	N	6634DU	Regular ATM	Japanese Steak House Div	5301 Everhart Rd M	Corpus Christi	TX	78411
Corpus Christi	2796	N	6634DU	Regular ATM	Esplanade Branch	6130 S Staples St	Corpus Christi	TX	78413
Corpus Christi	2798	N	6634DU	Check/Cash	Everhart Branch	4622 Everhart Rd	Corpus Christi	TX	78411
Corpus Christi	2799	N	6634DU	Check/Cash	Northwest Branch	14066 Northwest Blvd	Corpus Christi	TX	78410
Corpus Christi	2990	N	6622	Regular ATM	Shoreline Branch	221 S Shoreline Blvd	Corpus Christi	TX	78401



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Corpus Christi	2992	N	6634DU	Regular ATM	Portland Branch	1800 US-181	Portland	TX	78374
Corpus Christi	2994	N	6634DU	Check/Cash	Flour Bluff Branch (Drive)	1317 Waldron Rd	Corpus Christi	TX	78418
Corpus Christi	2995	N	6634DU	Check/Cash	Sinton Branch	301 W Sinton St	Sinton	TX	78387
Corpus Christi	2996	N	6622	Regular ATM	Wal-Mart #458	2501 W Wheeler Ave	Aransas Pass	TX	78336
Corpus Christi	2997	N	6622	Regular ATM	La Palmera Mall	5488 S Padre Island Dr	Corpus Christi	TX	78411
Brownsville	2570	N	6626	Regular ATM	Sunrise Mall	2370 North Expressway	Brownsville	TX	78521
Brownsville	2571	N	6626	Regular ATM	Wal-Mart	3600 W Alton Gloor Blvd	Brownsville	TX	78520
Brownsville	2811	N	6634DU	Upgrade	South Padre Island Branch	911 Padre Blvd	South Padre Island	TX	78597
Brownsville	2812	N	6622	Regular ATM	Harvey's Gas Company	32623 TX-100	Los Fresnos	TX	78566
Brownsville	2813	N	6622	Regular ATM	Wal-Mart	1801 W Lincoln	Harlingen	TX	78550
Brownsville	2814	N	6638	Upgrade	Downtown Brownsville	630 E Elizabeth	Brownsville	TX	78520
Brownsville	2815	N	6634DU	Check/Cash	Coffeepoint	1600 FM 802	Brownsville	TX	78521
Brownsville	2817	N	6634DU	Upgrade	Alton Gloor Branch Parkin	5000 IBC Circle	Brownsville	TX	78526
Brownsville	2818	N	6634DU	Upgrade	Dixieland Branch	501 S Dixieland	Harlingen	TX	78552
Brownsville	2819	N	6634DU	Upgrade	Walgreens	1673 State Highway 100	Port Isabel	TX	78578
Brownsville	2822	N	6638	Check/Cash	Autrey Pharmacy	1365 E Ruben Torres Blvd	Brownsville	TX	78521
Brownsville	2823	N	6634DU	Upgrade	Central Branch	1623 Central Blvd	Brownsville	TX	78520
Brownsville	2824	N	6634DU	Upgrade	Brownsville Main Branch	1600 Ruben Torres Blvd	Brownsville	TX	78526
Brownsville	2825	N	6638	Regular ATM	Mexico Blvd DU ATM	1300 Mexico Blvd	Brownsville	TX	78520
Brownsville	2826	N	6626	Regular ATM	Brownsville Main Branch I	1600 Ruben Torres Blvd	Brownsville	TX	78526
Brownsville	2828	N	6622	Regular ATM	Wal-Mart	1401 W State Hwy 100	Port Isabel	TX	78578
Brownsville	2830	N	6634DU	Upgrade	Four Corners Branch	4520 S PADRE ISLAND HWY	Brownsville	TX	78521
Brownsville	2831	N	6634DU	Upgrade	Four Corners Branch	4520 S PADRE ISLAND HWY	Brownsville	TX	78521
Brownsville	2833	N	6628	Regular ATM	Flea Market	5955 N Expy	Brownsville	TX	78526
Brownsville	2834	N	6634DU	Upgrade	Sunshine Branch	321 S 77 Sunshine Strip	Harlingen	TX	78550
Brownsville	2835	N	6634DU	Upgrade	Alton Gloor ATM	2000 Military Hwy	Brownsville	TX	78520
Brownsville	2836	N	6634DU	Check/Cash	Stand Alone	4285 N EXPY 77, 83	Brownsville	TX	78521
Brownsville	2837	N	6634DU	Check/Cash	Los Fresnos	112 W Ocean	Los Fresnos	TX	78566
Brownsville	2838	N	6622	Regular ATM	Airport	700 Amelia Earhart Dr	Brownsville	TX	78521
Brownsville	2839	N	6638	Upgrade	Four Corners Branch	4520 S Padre Island Hwy	Brownsville	TX	78520
Houston	1102	N	6634DU	Check/Cash	Woodbridge Branch	10570 S Highway 6	Sugar Land	TX	77498
Houston	1104	N	6634DU	Upgrade	Dickinson Branch	2301 W FM 646	Dickinson	TX	77539
Houston	1106	N	6634DU	Upgrade	Grand Parkway Branch	544 W Grand Parkway S	Katy	TX	77494
Houston	1107	N	6634DU	Check/Cash	Montrose Branch	3939 Montrose	Houston	TX	77006
Houston	1109	N	6634DU	Check/Cash	Briar Forest Branch	1545 Eldridge Parkway	Houston	TX	77077
Houston	1131	N	6634DU	Check/Cash	Angleton Branch	130 W Mulberry	Angleton	TX	77515
Houston	1132	N	6634DU	Check/Cash	Lake Jackson Branch	212 That Way	Lake Jackson	TX	77566
Houston	1136	N	6634DU	Upgrade	Freeport Branch	1208 N Brazosport Blvd	Freeport	TX	77541
Houston	2513	N	6634DU	Check/Cash	IBC Houston Drive Up	5615 Kirby Dr	Houston	TX	77005
Houston	2514	N	6626	Regular ATM	Downtown Branch	1001 McKinney Ste 150	Houston	TX	77002
Houston	2518	N	6622	Regular ATM	Wal-Mart	11755 Beechnut	Houston	TX	77072
Houston	2522	N	6638	Check/Cash	West University MB 2	5706 Kirb Dr	Houston	TX	77005
Houston	2525	N	6634DU	Check/Cash	Richmond Branch	5250 FM 1640	Richmond	TX	77469

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Houston	2526	N	6634DU	Check/Cash	Alief Branch	8203 S Kirkwood Rd	Houston	TX	77072
Houston	2528	N	2016	Regular ATM	Galleria Mall Branch	5085 Westheimer	Houston	TX	77056
Houston	2808	N	6634DU	Check/Cash	Gulfgate Branch	3200 Woodridge	Houston	TX	77087
Eagle Pass	1402	N	6634DU	Regular ATM	Downtown Branch	439 Main St	Eagle Pass	TX	78852
Eagle Pass	1403	N	6634DU	Upgrade	Downtown Drive Up	439 Main St	Eagle Pass	TX	78852
Eagle Pass	1404	N	6634DU	Upgrade	College Lane Drive Up	2065 E Main	Uvalde	TX	78801
Eagle Pass	1405	N	2016	Regular ATM	Six-Pack Corner Store	3212 Del Rio Blvd	Eagle Pass	TX	78852
Eagle Pass	1406	N	2016	Regular ATM	Foster Medical Center 2	3333 N Foster Maldonado Blvd	Eagle Pass	TX	78852
Eagle Pass	1407	N	6622	Regular ATM	Cinema Mart	455 S Bibb	Eagle Pass	TX	78852
Eagle Pass	1409	N	6622	Regular ATM	Valero	2455 E Main	Eagle Pass	TX	78852
Eagle Pass	1413	N	6622	Regular ATM	H.E.B.	2135 E Main	Eagle Pass	TX	78852
Eagle Pass	1414	N	6634DU	Regular ATM	East Branch	2538 E Main	Eagle Pass	TX	78852
Eagle Pass	1416	N	6622	Regular ATM	Bowling Alley	3615 FM 1021	Eagle Pass	TX	78852
Eagle Pass	1417	N	6622	Regular ATM	Exxon	420 E Main	Uvalde	TX	78801
Eagle Pass	1420	N	2016	Regular ATM	Plaza Del Sol Mall	2205 Veterans Blvd	Del Rio	TX	78840
Eagle Pass	1421	N	6634DU	Check/Cash	Across the street from IB	2370 E Main St	Eagle Pass	TX	78852
Eagle Pass	1422	N	6622	Regular ATM	Dragon Mart	821 Bibb St	Eagle Pass	TX	78852
Eagle Pass	1423	N	6622	Regular ATM	Exxon	585 Garrison	Eagle Pass	TX	78852
Eagle Pass	1425	N	6622	Regular ATM	Maverick Gas Services	2195 Main St	Eagle Pass	TX	78853
Eagle Pass	1426	N	6622	Regular ATM	Car Tender 2	1989 S Veterans Blvd	Eagle Pass	TX	78852
Eagle Pass	1427	N	6622	Regular ATM	Car Tender 3	3165 Del Rio Blvd	Eagle Pass	TX	78853
Eagle Pass	1428	N	6634DU	Regular ATM	Boarder Patrol Station	4133 El Indio Hwy	Eagle Pass	TX	78852
Eagle Pass	1430	N	6638	Check/Cash	RHO Drive-up	2395 E Main St	Eagle Pass	TX	78852
Eagle Pass	1431	N	6622	Regular ATM	Maverick Pit Stop	602 Main St	Eagle Pass	TX	78852
Eagle Pass	1432	N	6638	Check/Cash	Kids and Tots	2495 Second St	Eagle Pass	TX	78852
Eagle Pass	1433	N	6634WU	Regular ATM	Plaza Del Sol Mall	2205 Veterans Blvd	Del Rio	TX	78840
Eagle Pass	1434	N	6638	Upgrade	Crystal City	1313 N 1st Ave	Crystal City	TX	78839
Eagle Pass	2561	N	6622	Regular ATM	Car Tender 4	2395 E Main St	Eagle Pass	TX	78852
Eagle Pass	2562	N	6622	Regular ATM	Del Rio Walmart	2410 Dodson St	Del Rio	TX	78840
Eagle Pass	2563	N	6626	Regular ATM	Mall De La Aguilas	455 S Bibb	Eagle Pass	TX	78852
Eagle Pass	2565	N	6622	Regular ATM	Exxon	750 Main St	Eagle Pass	TX	78852
Eagle Pass	2568	N	6622	Regular ATM	Meat Market Lobby ATM	1603 Pena	Carrizo Springs	TX	78834
Eagle Pass	2880	N	6634DU	Regular ATM	Main St Drive Up ATM	2329 Main St	Eagle Pass	TX	78853
Eagle Pass	2881	N	6622	Regular ATM	Mcdonalds	2130 E Main	Eagle Pass	TX	78853
Eagle Pass	2885	N	6622	Regular ATM	Exxon	2415 E Main	Eagle Pass	TX	78853
Eagle Pass	2891	N	6622	Regular ATM	Shell Gas Station	2995 E Main	Eagle Pass	TX	78853
Eagle Pass	2893	N	6634DU	Check/Cash	Las Minas Branch	2305 Del Rio Blvd	Eagle Pass	TX	78853
Eagle Pass	2896	N	6622	Regular ATM	Uvalde Wal-Mart	3100 E Main St	Uvalde	TX	78801
Eagle Pass	2899	N	6634DU	Upgrade	Veterans Branch	1507 Veterans Blvd.	Del Rio	TX	78840
Austin	2655	N	6634DU	Upgrade	River Place Sifio Del Rio	10405 RANCH ROAD 2222	Austin	TX	78730
Austin	2657	N	6634DU	Upgrade	Cedar Park Branch	301 W Whiteshore	Cedar Park	TX	78613
Austin	2659	N	6634DU	Check/Cash	Parmer Ridge Lane Branch	12625 N Interstate 35	Austin	TX	78753

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Austin	2663	N	6634DU	Upgrade	South Park Meadows Branch	9900 S Intersate 35	Austin	TX	78748
Austin	2667	N	6634DU	Upgrade	Domain Branch	11400 Burnet Rd	Austin	TX	78758
Austin	2669	N	6634DU	Upgrade	Round Rock Branch	1850 Gattis School Rd	Round Rock	TX	78664
Austin	2671	N	6634DU	Check/Cash	Crystal Falls Branch	1695 US Hwy 183	Leander	TX	78641
Austin	2672	N	6634DU	Upgrade	Cesar Chavez Branch	2817 E Cesar Chavez	Austin	TX	78702
Austin	2673	N	6634DU	Check/Cash	Bastrop H.E.B.	701 W Hwy 71	Bastrop	TX	78602
Austin	2676	N	6626	Regular ATM	Research Lobby ATM	8998 Research Blvd.	Austin	TX	78757
Austin	2677	N	6638	Check/Cash	Bee Cave Branch	4025 RR 620 South	Bee Cave	TX	78738
Austin	2678	N	6634WU	Check/Cash	La Plaza1	500 W Fifth St	Austin	TX	78701
Austin	2679	N	6634WU	Check/Cash	La Plaza2	500 W Fifth St	Austin	TX	78701
Austin	2680	N	6638	Check/Cash	La Plaza 3	501 W Fifth St	Austin	TX	78701
Oklahoma	6006	N	6634WU	Upgrade	Downtown OKC	100 W Park Avenue	Oklahoma City	OK	73102
Oklahoma	6009	N	6638	Check/Cash	Edmond Santa Fe Branch	421 S Sante Fe Ave	Edmond	OK	73003
Oklahoma	6012	N	6638	Check/Cash	Douglas Branch	2200 S Douglas Blvd	Midwest City	OK	73130
Oklahoma	6013	N	6638	Check/Cash	Moore Branch	513 NE 12th	Moore	OK	73160
Oklahoma	6018	N	6634DU	Upgrade	Gaillardia Branch	14001 N McArthur	Oklahoma City	OK	73142
Oklahoma	6020	N	6634DU	Upgrade	South Moore Branch	901 SW 19th	Moore	OK	73160
Oklahoma	6021	N	6634DU	Upgrade	Crown Heights Branch	4902 N Western	Oklahoma City	OK	73118
Oklahoma	6022	N	6634DU	Check/Cash	Edmond Bryant Branch	1812 E 15th	Edmond	OK	73013
Oklahoma	6023	N	6634DU	Upgrade	May Ave. Branch	5701 N May	Oklahoma City	OK	73112
Oklahoma	6024	N	6634DU	Check/Cash	Bethany Branch	7723 NW 23rd	Bethany	OK	73008
Oklahoma	6025	N	6626	Regular ATM	Corporate Office	3817 NW Expressway Ste 1	Oklahoma City	OK	73112
Oklahoma	6026	N	6638	Check/Cash	Corporate Office	3817 NW Expressway Ste 1	Oklahoma City	OK	73112
Oklahoma	6027	N	6634DU	Check/Cash	Chatenay Square Branch	10500 S Penn	Oklahoma City	OK	73159
Oklahoma	6028	N	6634DU	Check/Cash	Portland Branch	2301 N Portland Ave	Oklahoma City	OK	73107
Oklahoma	6029	N	6634DU	Check/Cash	QuailCreek Branch	12241 N May Ave	Oklahoma City	OK	73120
Oklahoma	6030	N	6634DU	Check/Cash	Norman Branch	1461 24th Ave NW	Norman	OK	73072
Dallas	6031	N	6634DU	Upgrade	Dallas Branch	3800 Maple Avenue	Dallas	TX	75219
Oklahoma	6203	N	6638	Upgrade	Tulsa Yale Branch	1951 S Yale	Tulsa	OK	74112
Oklahoma	6206	N	6638	Upgrade	Sapulpa Branch	911 E Taft	Sapulpa	OK	74066
Oklahoma	6210	N	6638	Check/Cash	SandSprings South	3402 Highway 97	Sand Springs	OK	74063
Oklahoma	6212	N	6634DU	Regular ATM	Former Delaware Branch	2808 E 101st	Tulsa	OK	74137
Oklahoma	6213	N	6634DU	Upgrade	Midtown Village Branch	5302 E Skelly	Tulsa	OK	74135
Oklahoma	6214	N	6634DU	Upgrade	Broken Arrow Branch	6412 S Elm Place	Broken Arrow	OK	74135
Oklahoma	6215	N	6634DU	Upgrade	Garnett Branch	4202 S Garnett	Tulsa	OK	74146
Oklahoma	6216	N	6634DU	Upgrade	Bailey Branch	9350 N Garnett	Owasso	OK	74055
Oklahoma	6217	N	6634DU	Upgrade	Union Place	8112 S Garnett	Tulsa	OK	74133
Oklahoma	6218	N	6634DU	Check/Cash	Lewis	2250 E 73rd	Tulsa	OK	74136
Oklahoma	6220	N	6634DU	Upgrade	Bixby Branch	11886 S Memorial	Bixby	OK	74008
Oklahoma	6221	N	6626	Regular ATM	Downtown Tulsa	1 E 5th St	Tulsa	OK	74103
Oklahoma	6222	N	6638	Check/Cash	Memorial Branch	8202 E 71st	Tulsa	OK	74133
Oklahoma	6402	N	6634DU	Upgrade	Lawton Financial Center	6425 NW Cache Rd.	Lawton	OK	73505
Oklahoma	6404	N	6634DU	Upgrade	Lawton Gore	2101 W Gore	Lawton	OK	73501

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Okahoma	6600	N	6638	Check/Cash	Guthrie Branch	120 N Division	Guthrie	OK	73044
Okahoma	6602	N	6638	Check/Cash	Shawnee Branch	2512 N Harrison	Shawnee	OK	74802
Okahoma	6603	N	6638	Check/Cash	Purcell Branch	430 Lincoln	Purcell	OK	73080
Okahoma	6604	N	6638	Check/Cash	Chickasha Branch	628 Grand Ave	Chickasha	OK	73018
Okahoma	6606	N	6638	Check/Cash	Sulphur Branch	2009 W Broadway St	Sulphur	OK	73086
Okahoma	6607	N	6638	Check/Cash	Pauls Valley Branch	700 W Grant	Pauls Valley	OK	73075
Okahoma	6608	N	6634DU	Upgrade	Duncan Downtown	1006 W Main St	Duncan	OK	73533
Okahoma	6610	N	6638	Check/Cash	Clinton Branch	1002 W Frisco	Clinton	OK	73601
Okahoma	6612	N	6638	Check/Cash	Weatherford Branch	109 E Franklin	Weatherford	OK	73096
Okahoma	6616	N	6638	Upgrade	Grove Branch	100 E Third	Grove	OK	74344
Okahoma	6619	N	6634DU	Upgrade	Claremore Branch	1050 N Lynn Riggs Dr	Claremore	OK	74017
Okahoma	6622	N	6634DU	Upgrade	Stillwater Branch	1900 N Perkins	Stillwater	OK	74075
Okahoma	6624	N	6634DU	Upgrade	Ardmore Branch	2302 12th Ave	Ardmore	OK	73401
Okahoma	6624	N	6634DU	Upgrade	Miami Branch	2520 N Main	Miami	OK	74354
Okahoma	6625	N	6634DU	Upgrade	Chandler Branch	3108 E 1st Street	Chandler	OK	74834
Okahoma	6626	N	6634DU	Check/Cash	Lindsay Branch	209 E Cherokee	Lindsay	OK	73052
Okahoma	6627	N	6634DU	Upgrade	Duncan North	2311 N Hwy 81	Duncan	OK	73533
Okahoma	6629	N	6634DU	Check/Cash	Elk City Branch	1504 W 3rd	Elk City	OK	73644
Okahoma	6630	N	6638	Regular ATM	Aspen ATM	10601 E Aspen Dr	Claremore	OK	74019
Okahoma	6800	N	6638	Check/Cash	Sonic	2304 E Gore	Lawton	OK	73501
Okahoma	6802	N	6622	Regular ATM	El Chico Lawton Central M	200 SW C Ave	Lawton	OK	73501
Okahoma	6807	N	6634DU	Regular ATM	Dillard's Lawton Central M	200 SW C Ave	Lawton	OK	73501
Okahoma	6832	N	6634DU	Regular ATM	Burger King	3242 E 11th St	Tulsa	OK	74104
Okahoma	6836	N	6634DU	Regular ATM	Burger King	11316 E 21st	Tulsa	OK	74129
Okahoma	6838	N	6634DU	Regular ATM	Burger King	7939 E 41st	Tulsa	OK	74133

3

**International Bank of Commerce**  
 1200 San Bernardo Avenue  
 Laredo, TX 78040  
 FDIC Certificate #: 19629 Bank Charter Class: NM

Definition	<i>Dollar figures in thousands</i>	International Bank of Commerce Laredo, TX December 31, 2018	International Bank of Commerce Laredo, TX December 31, 2017
<b>All Summary Information</b>			
<b>Assets and Liabilities</b>			
1 Total employees (full-time equivalent)		2,386	2,329
2 <b>Total assets</b>		<b>8,469,038</b>	<b>8,760,190</b>
3 Cash and due from depository institutions		242,301	201,792
4 Interest-bearing balances		34,277	25,038
5 Securities		2,322,921	2,811,837
6 Federal funds sold & reverse repurchase agreements		74,925	153,850
7 Net loans & leases		4,824,391	4,678,482
8 Loan loss allowance		42,595	50,060
9 Trading account assets		0	0
10 Bank premises and fixed assets		307,849	317,651
11 Other real estate owned		52,072	23,338
12 Goodwill and other intangibles		226,803	226,790
13 All other assets		417,776	346,450
14 <b>Total liabilities and capital</b>		<b>8,469,038</b>	<b>8,760,190</b>
15 <b>Total liabilities</b>		<b>7,066,271</b>	<b>7,434,320</b>
16 Total deposits		6,028,260	5,988,387
17 Interest-bearing deposits		3,492,509	3,592,426
18 Deposits held in domestic offices		6,028,260	5,988,387
19 % insured		80.73%	78.96%
20 Federal funds purchased & repurchase agreements		347,406	275,015
21 Trading liabilities		0	0
22 Other borrowed funds		604,500	1,118,000
23 Subordinated debt		0	0
24 All other liabilities		86,105	52,918
25 <b>Total equity capital</b>		<b>1,402,767</b>	<b>1,325,870</b>
26 Total bank equity capital		1,402,767	1,325,870
27 Perpetual preferred stock		0	0
28 Common stock		6,967	6,967
29 Surplus		499,583	487,557
30 Undivided profits		896,217	831,346
31 Noncontrolling interests in consolidated subsidiaries		0	0
<b>Memoranda:</b>			
32 Noncurrent loans and leases		6,551	43,793
33 Noncurrent loans that are wholly or partially guaranteed by the U.S. government		0	0
34 Income earned, not collected on loans		26,462	25,376
35 Earning assets		7,256,514	7,669,207
36 Long-term assets (5+ years)		3,066,372	3,438,784
37 Average Assets, year-to-date		8,521,339	8,801,841
38 Average Assets, quarterly		8,428,543	8,710,795
39 Total risk weighted assets		6,967,957	6,543,386
40 Adjusted average assets for leverage capital purposes		8,312,679	8,329,151
41 Life insurance assets		156,252	154,384
42 General account life insurance assets		48,328	46,326
43 Separate account life insurance assets		59,145	59,546
44 Hybrid life insurance assets		48,779	48,512
45 Volatile liabilities		1,109,228	1,744,756
46 Insider loans		14,221	19,076
47 FHLB advances		604,500	1,118,000
48 Loans and leases held for sale		4,822	8,017
49 Unused loan commitments		2,442,865	2,266,720
50 Tier 1 (core) risk-based capital		1,201,462	1,119,173
51 Tier 2 risk-based capital		46,645	53,895
52 Total unused commitments		2,442,865	2,266,720
53 Derivatives		5,093	81,999
Restructured Loans and leases			
Past due and nonaccrual assets			
Fiduciary and related services			
<b>Income and Expense</b>		<i>(Year-to-date)</i>	<i>(Year-to-date)</i>

54	Number of institutions reporting	1	4
55	Total interest income	343,284	304,303
56	Total interest expense	35,447	26,918
57	Net interest income	307,837	277,385
58	Provision for loan and lease losses	-2,011	9,560
59	Total noninterest income	120,211	117,717
60	Fiduciary activities	246	253
61	Service charges on deposit accounts	47,288	47,366
62	Trading account gains & fees	0	0
63	Additional noninterest income	72,677	70,098
64	Total noninterest expense	224,361	221,711
65	Salaries and employee benefits	106,453	101,982
66	Premises and equipment expense	39,948	39,153
67	Additional noninterest expense	77,960	80,576
68	Pre-tax net operating income	205,698	163,831
69	Securities gains (losses)	-531	-3,111
70	Applicable income taxes	41,981	47,507
71	Income before extraordinary items	163,186	113,213
72	Discontinued operations (Extraordinary gains - net)*	0	0
73	<b>Net income attributable to bank</b>	<b>163,186</b>	<b>113,213</b>
74	Net income attributable to noncontrolling interests	0	0
75	Net income attributable to bank and noncontrolling interests	163,186	113,213
76	Net charge-offs	5,453	7,469
77	Cash dividends	85,000	44,000
78	Sale, conversion, retirement of capital stock, net	0	0
79	Net operating income	163,611	115,391

**Memo:**

Gross fiduciary and related services income

\* **Note: Accounting change as of September 2016, Extraordinary Gains, Net now only includes Discontinued Operations Expense.****Performance and Condition Ratios**

80	% of unprofitable institutions	N/A	N/A
81	% of institutions with earnings gains	N/A	N/A
	<b>Performance Ratios (% , annualized)</b>	<b>(Year-to-date)</b>	<b>(Year-to-date)</b>
82	Yield on earning assets	4.65%	3.97%
83	Cost of funding earning assets	0.48%	0.35%
84	Net interest margin	4.17%	3.62%
85	Noninterest income to assets	1.41%	1.34%
86	Noninterest expense to assets	2.63%	2.52%
87	Loan and lease loss provision to assets	-0.02%	0.11%
88	Net operating income to assets	1.92%	1.31%
89	Return on assets (ROA)	1.92%	1.29%
90	Pretax return on assets	2.41%	1.83%
91	Return on equity (ROE)	12.09%	8.41%
92	Retained earnings to average equity (YTD only)	5.79%	5.14%
93	Net charge-offs to loans and leases	0.11%	0.16%
94	Loan and lease loss provision to net charge-offs	-36.88%	128.00%
95	Earnings coverage of net loan charge-offs (x)	37.35	23.21
96	Efficiency ratio	52.41%	56.11%
97	Assets per employee (\$ millions)	3.55	3.76
98	Cash dividends to net income (YTD only)	52.09%	38.86%
	<b>Condition Ratios (%)</b>		
99	Earning assets to total assets	85.68%	87.55%
100	Loss allowance to loans and leases	0.88%	1.06%
101	Loss allowance to noncurrent loans and leases	650.21%	114.31%
102	Noncurrent assets plus other real estate owned to assets	0.69%	0.77%
103	Noncurrent loans to loans	0.13%	0.93%
104	Net loans and leases to assets	56.97%	53.41%
105	Net loans and leases to deposits	80.03%	78.13%
106	Net loans and leases to core deposits	88.59%	86.85%
107	Domestic deposits to total assets	71.18%	68.36%
108	Equity capital to assets	16.56%	15.14%
109	Core capital (leverage) ratio	14.45%	13.44%
110	Tier 1 risk-based capital ratio	17.24%	17.10%
111	Total risk-based capital ratio	17.91%	17.93%
112	Common equity tier 1 capital ratio	17.24%	17.10%
	<b>Memoranda:</b>		
113	Average assets	8,521,339	8,801,841
114	Average earning assets	7,387,276	7,670,597
115	Average equity	1,349,284	1,346,122



116 Average loans

4,775,396

4,731,908

Definition	Demographic Information	April 11, 2019	December 31, 2018	December 31, 2017
1 Status		Active	Active	Active
2 Bank Holding Company (Regulatory Top Holder)		See Note!	INTERNATIONAL BANCSHARES CORPORATION	INTERNATIONAL BANCSHARES CORPORATION
3 Certificate#		19629	19629	19629
4 Federal Reserve ID Number		1001152	1001152	1001152
5 Institution Name		International Bank of Commerce	International Bank of Commerce	International Bank of Commerce
6 City,State,Zip		Laredo, TX, 78040	Laredo, TX, 78040	Laredo, TX, 78040
7 Number of Domestic Offices			122	123
8 Number of Foreign Offices			N/A	N/A
9 Offices in insured other areas			N/A	N/A
10 Interstate Offices			No	No
11 Summary Of Deposits			June 30, 2018	June 30, 2017
12 Current List of Total Offices		Offices		
13 Asset Concentration Hierarchy		Commercial Lending Specialization	Commercial Lending Specialization	Commercial Lending Specialization
14 Subchapter S Corporation			No	No
15 County		Webb	Webb	Webb
16 Metropolitan Statistical Area		Laredo, TX	Laredo, TX	Laredo, TX
17 Established Date		September 2, 1966	September 2, 1966	September 2, 1966
18 Date of Deposit Insurance		September 2, 1966	September 2, 1966	September 2, 1966
19 Last Structure Change Process Date		March 28, 2007		
20 Last Structure Change Effective Date		March 16, 2007		
21 Ownership Type			Stock	Stock
22 Directly Owned by Another Bank?(CERT)			No	No
23 FDIC Community Bank		No	No	No
24 Trust Powers Granted		Yes	Yes	Yes
25 Bank Charter Class		Federal Reserve Non-member	Federal Reserve Non-member	Federal Reserve Non-member
26 Regulator		FDIC	FDIC	FDIC
27 CFPB Supervised		No		
28 Insurance fund membership		DIF	DIF	DIF
29 FDIC Quarterly Banking Profile Region		Dallas	Dallas	Dallas
30 FDIC Geographic Region		Dallas	Dallas	Dallas
31 FDIC Supervisory Region		Dallas	DALLAS	DALLAS
32 FDIC Field Office		Houston	Houston	Houston
33 Federal Reserve District		Dallas	Dallas	Dallas
34 Office of the Comptroller of the Currency District		Southern	Southern	Southern
35 FFIEC CallForm			41	41
36 Primary Web Address			www.ibc.com	www.ibc.com
37 Other Name				
38 Other Name				
39 Other Name				
40 Other Name				
41 Other Name				
42 Other Name				
43 Other Website				
44 Other Website				
45 Other Website				
46 OtherWebsite				
47 Other Website				
48 Other Website				
49 Other Website				
50 Other Website				
51 Other Website				
52 Other Website				

The other name and additional website information begins in March 2014. The use of other names and additional websites is an optional business practice, not used by all bank... s. When one bank purchases another bank, the name recognition and reputation of the bank being purchased may be very well known and established in its market area. Rather than change the name of this bank, the bank making the purchase will continue to use the acquired bank's original name as a trade name, to benefit from its good name and reputation.

In addition to having physical branches to accept deposits, many banks have established online deposit accepting websites (also known as 'URLs' or 'Uniform Resource Locators'). Some of these websites will be named similarly to the name of the bank, such as, the website for a bank named 'ABC Bank' being named 'www.abcbank.com.' However, some banks will also have websites that have names that are not connected to the actual name of the bank.

Please note that this information is provided electronically by the bank to the FDIC on the required FFIEC CALL reports. The information is not edited by the FDIC.



For more information regarding a trade name and/or URL for a particular bank, call the FDIC at 1-877-275-3342 and ask to speak with a deposit insurance specialist. If you do not see the Trade Name and/or URL that you are looking for, please call the FDIC. [more](#)

4

**Commerce Bank**

5800 San Dario  
Laredo, TX 78041

FDIC Certificate #: 23772    Bank Charter Class: NM

Definition	Dollar figures in thousands	Commerce Bank Laredo, TX December 31, 2018	Commerce Bank Laredo, TX December 31, 2017
<b>All Summary Information</b>			
<b>Assets and Liabilities</b>			
1 Total employees (full-time equivalent)		55	50
2 <b>Total assets</b>		<b>590,841</b>	<b>535,317</b>
3 Cash and due from depository institutions		8,972	7,105
4 Interest-bearing balances		5	6
5 Securities		268,953	320,523
6 Federal funds sold & reverse repurchase agreements		89,975	1,500
7 Net loans & leases		189,491	172,683
8 Loan loss allowance		1,548	1,911
9 Trading account assets		0	0
10 Bank premises and fixed assets		10,439	10,586
11 Other real estate owned		0	0
12 Goodwill and other intangibles		7,094	7,094
13 All other assets		15,917	15,826
14 <b>Total liabilities and capital</b>		<b>590,841</b>	<b>535,317</b>
15 <b>Total liabilities</b>		<b>497,659</b>	<b>449,999</b>
16 Total deposits		494,288	444,366
17 Interest-bearing deposits		322,197	313,305
18 Deposits held in domestic offices		494,288	444,366
19 % insured		56.41%	60.90%
20 Federal funds purchased & repurchase agreements		1,559	3,824
21 Trading liabilities		0	0
22 Other borrowed funds		0	0
23 Subordinated debt		0	0
24 All other liabilities		1,812	1,809
25 <b>Total equity capital</b>		<b>93,182</b>	<b>85,318</b>
26 Total bank equity capital		93,182	85,318
27 Perpetual preferred stock		0	0
28 Common stock		1,000	1,000
29 Surplus		25,000	25,000
30 Undivided profits		67,182	59,318
31 Noncontrolling interests in consolidated subsidiaries		0	0
<b>Memoranda:</b>			
32 Noncurrent loans and leases		2,305	4,746
33 Noncurrent loans that are wholly or partially guaranteed by the U.S. government		42	0
34 Income earned, not collected on loans		1,435	1,475
35 Earning assets		548,424	494,712
36 Long-term assets (5+ years)		331,764	377,522
37 Average Assets, year-to-date		549,349	572,178
38 Average Assets, quarterly		565,345	547,623
39 Total risk weighted assets		271,000	238,836
40 Adjusted average assets for leverage capital purposes		575,000	544,729
41 Life insurance assets		11,514	11,209
42 General account life insurance assets		4,320	4,118
43 Separate account life insurance assets		0	0
44 Hybrid life insurance assets		7,194	7,091
45 Volatile liabilities		96,177	97,097
46 Insider loans		11,252	5,209
47 FHLB advances		0	0
48 Loans and leases held for sale		0	0
49 Unused loan commitments		19,821	18,154
50 Tier 1 (core) risk-based capital		89,305	79,330
51 Tier 2 risk-based capital		1,589	1,948
52 Total unused commitments		19,821	18,154
53 Derivatives		0	0
Restructured Loans and leases			
Past due and nonaccrual assets			
Fiduciary and related services			
<b>Income and Expense</b>		<b>(Year-to-date)</b>	<b>(Year-to-date)</b>
54 Number of institutions reporting		1	1

55 Total interest income	18,146	17,132
56 Total interest expense	1,831	1,344
57 Net interest income	16,315	15,788
58 Provision for loan and lease losses	-504	-576
59 Total noninterest income	4,029	3,881
60 Fiduciary activities	0	0
61 Service charges on deposit accounts	2,085	2,038
62 Trading account gains & fees	0	0
63 Additional noninterest income	1,944	1,843
64 Total noninterest expense	8,503	7,899
65 Salaries and employee benefits	2,145	1,867
66 Premises and equipment expense	1,348	1,302
67 Additional noninterest expense	5,010	4,730
68 Pre-tax net operating income	12,345	12,346
69 Securities gains (losses)	-64	-289
70 Applicable income taxes	2,554	3,492
71 Income before extraordinary items	9,727	8,565
72 Discontinued operations (Extraordinary gains - net)*	0	0
<b>73 Net income attributable to bank</b>	<b>9,727</b>	<b>8,565</b>
74 Net income attributable to noncontrolling interests	0	0
75 Net income attributable to bank and noncontrolling interests	9,727	8,565
76 Net charge-offs	-142	-197
77 Cash dividends	0	3,000
78 Sale, conversion, retirement of capital stock, net	0	0
79 Net operating income	9,778	8,770

**Memo:**

Gross fiduciary and related services income

\* **Note: Accounting change as of September 2016, Extraordinary Gains, Net now only includes Discontinued Operations Expense.****Performance and Condition Ratios**

80 % of unprofitable institutions	N/A	N/A
81 % of institutions with earnings gains	N/A	N/A
<b>Performance Ratios (% , annualized)</b>	<b>(Year-to-date)</b>	<b>(Year-to-date)</b>
82 Yield on earning assets	3.57%	3.22%
83 Cost of funding earning assets	0.36%	0.25%
84 Net interest margin	3.21%	2.97%
85 Noninterest income to assets	0.73%	0.68%
86 Noninterest expense to assets	1.55%	1.38%
87 Loan and lease loss provision to assets	-0.09%	-0.10%
88 Net operating income to assets	1.78%	1.53%
89 Return on assets (ROA)	1.77%	1.50%
90 Pretax return on assets	2.24%	2.11%
91 Return on equity (ROE)	11.13%	10.27%
92 Retained earnings to average equity (YTD only)	11.13%	6.67%
93 Net charge-offs to loans and leases	-0.08%	-0.12%
94 Loan and lease loss provision to net charge-offs	354.93%	292.39%
95 Earnings coverage of net loan charge-offs (x)	N/A	N/A
96 Efficiency ratio	41.80%	40.16%
97 Assets per employee (\$ millions)	10.74	10.71
98 Cash dividends to net income (YTD only)	0	35.03%
<b>Condition Ratios (%)</b>		
99 Earning assets to total assets	92.82%	92.41%
100 Loss allowance to loans and leases	0.81%	1.09%
101 Loss allowance to noncurrent loans and leases	67.16%	40.27%
102 Noncurrent assets plus other real estate owned to assets	0.39%	0.89%
103 Noncurrent loans to loans	1.21%	2.72%
104 Net loans and leases to assets	32.07%	32.26%
105 Net loans and leases to deposits	38.34%	38.86%
106 Net loans and leases to core deposits	47.41%	49.18%
107 Domestic deposits to total assets	83.66%	83.01%
108 Equity capital to assets	15.77%	15.94%
109 Core capital (leverage) ratio	15.53%	14.56%
110 Tier 1 risk-based capital ratio	32.95%	33.22%
111 Total risk-based capital ratio	33.54%	34.03%
112 Common equity tier 1 capital ratio	32.95%	33.22%
<b>Memoranda:</b>		
113 Average assets	549,349	572,178
114 Average earning assets	508,119	531,384
115 Average equity	87,424	83,426
116 Average loans	181,756	167,730

<b>Definition</b>	<b>Demographic Information</b>	<b>April 11, 2019</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>
1 Status		Active	Active	Active
2 Bank Holding Company (Regulatory Top Holder)		See Note!	INTERNATIONAL BANCSHARES CORPORATION	INTERNATIONAL BANCSHARES CORPORATION
3 Certificate#		23772	23772	23772
4 Federal Reserve ID Number		625159	625159	625159
5 Institution Name		Commerce Bank	Commerce Bank	Commerce Bank
6 City,State,Zip		Laredo, TX, 78041	Laredo, TX, 78041	Laredo, TX, 78041
7 Number of Domestic Offices			4	4
8 Number of Foreign Offices			N/A	N/A
9 Offices in insured other areas			N/A	N/A
10 Interstate Offices			No	No
11 Summary Of Deposits			June 30, 2018	June 30, 2017
12 Current List of Total Offices		Offices		
13 Asset Concentration Hierarchy		Mortgage Lending Specialization	Mortgage Lending Specialization	Mortgage Lending Specialization
14 Subchapter S Corporation			No	No
15 County		Webb	Webb	Webb
16 Metropolitan Statistical Area		Laredo, TX	Laredo, TX	Laredo, TX
17 Established Date		March 31, 1982	March 31, 1982	March 31, 1982
18 Date of Deposit Insurance		March 31, 1982	March 31, 1982	March 31, 1982
19 Last Structure Change Process Date		June 15, 2015		
20 Last Structure Change Effective Date		June 15, 2015		
21 Ownership Type			Stock	Stock
22 Directly Owned by Another Bank?(CERT)			No	No
23 FDIC Community Bank		No	No	No
24 Trust Powers Granted		No	No	No
25 Bank Charter Class		Federal Reserve Non-member	Federal Reserve Non-member	Federal Reserve Non-member
26 Regulator		FDIC	FDIC	FDIC
27 CFPB Supervised		No		
28 Insurance fund membership		DIF	DIF	DIF
29 FDIC Quarterly Banking Profile Region		Dallas	Dallas	Dallas
30 FDIC Geographic Region		Dallas	Dallas	Dallas
31 FDIC Supervisory Region		Dallas	DALLAS	DALLAS
32 FDIC Field Office		Houston	Houston	Houston
33 Federal Reserve District		Dallas	Dallas	Dallas
34 Office of the Comptroller of the Currency District		Southern	Southern	Southern
35 FFIEC CallForm			41	41
36 Primary Web Address			www.ibc.com	www.ibc.com
37 Other Name				
38 Other Name				
39 Other Name				
40 Other Name				
41 Other Name				
42 Other Name				
43 Other Website				
44 Other Website				
45 Other Website				
46 OtherWebsite				
47 Other Website				
48 Other Website				
49 Other Website				
50 Other Website				
51 Other Website				
52 Other Website				

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# EXHIBIT "A" – ACCOUNT ANALYSIS SUMMARY REPORT – JANUARY OF 2019

## Account Analysis Relationship Summary

The following accounts are included in this relationship summary:

Account	Customer	Investable Balance
54404	WEBB COUNTY1	\$ 17,458,385.53
54412	WEBB COUNTY 3	285,630.20
54420	WEBB COUNTY3	3,475,377.48
54471	WEBB COUNTY8	583,314.96
54498	WEBB COUNTY9	5,290,444.98
54519	WEBB COUNTY11	1,086,745.98
54594	WEBB COUNTY17	1,205.83
54607	WEBB COUNTY18	227,543.62
54615	PATRICIA A BARR	172.85
54623	PATRICIA A BAR1	3.85
54631	PATRICIA A BAR2	290.62
54658	PATRICIA A BA12	255,037.54
54666	PATRICIA A BA11	25,115.18
54674	PATRICIA A BA15	926.04
54690	PATRICIA A BA14	5.52
54703	PATRICIA A BA13	0.04
54711	WEBB COUNTY MAR	1,574,214.37
54738	WEBB COUNTY MAR	10,375,843.64
54949	DISTRICT ATTOR1	3,290,962.43
54957	DISTRICT ATTOR1	2,312.23
54965	DISTRICT ATTOR1	66,638.01
54981	WEBB COUNTY21	559,316.10
55001	MARGIE RAMIREZ	832,796.23
55028	JUAN GARZA	387,123.20
55044	JUAN GARZA1	36,671.27
2210074584	WEBB COUNTY CAS	1,754.69
2210252857	WEBB COUNTY5	238,649.05
2210267927	WEBB COUNTY1	92,308.65
2210267935	WEBB COUNTY1	424,796.47
2210448417	WEBB COUNTY	6,437,631.96

Account	Customer	Investable Balance
2210448433	WEBB COUNTY6	1,492,255.39
2210654173	WEBB COUNTY10	520,678.21
2210654238	WEBB COUNTY12	90,351.58
2210654262	WEBB COUNTY7	731,293.26
2210654343	WEBB COUNTY7	22,381.12
2210753244	WEBB COUNTY	77,236.90
2210753260	WEBB COUNTY	234,247.56
2210753279	WEBB COUNTY	42,250.63
2210753287	WEBB COUNTY	33,031.66
2210753295	WEBB COUNTY	117,189.80
2210753309	WEBB COUNTY	6,683.21
2210753317	WEBB COUNTY	2,291.64
2210753325	WEBB COUNTY	955,185.40
2210753333	WEBB COUNTY	596,861.44
2210753341	WEBB COUNTY	2,659,800.76
2210753368	WEBB COUNTY	816,309.75
3210771110	WEBB COUNTY	22,832,791.42
6000277555	WEBB COUNTY MO1	97,486.98
6000277741	WEBB COUNTY	781,454.72
6001477590	WEBB COUNT SHE1	421,469.65
6002034943	PATRICIA A BAR3	969.25
6002034951	PATRICIA A BA10	2.18
6002490019	WEBB COUNTY	96,391.03
		\$ 85,639,832.06

Balance Information

Activity 01/01/2019 Thru 01/31/2019 31 Days in Cycle

Average Ledger Balance	\$	96,512,831.03
Less: Uncollected Funds		1,357,462.09
Average Collected Balance		95,155,368.94
Less: Reserves ( 10.0000%)		9,515,536.89
Investable Balance		85,639,832.05
Earnings Credit Allowance ( 0.0000%)	\$	0.00

Service Charge Recap

# EXHIBIT "A" – ACCOUNT ANALYSIS SUMMARY REPORT – JANUARY OF 2019

## Account Analysis Relationship Summary

The following accounts are included in this relationship summary:

Account	Customer	Investable Balance
54404	WEBB COUNTY1	\$ 17,458,385.53
54412	WEBB COUNTY 3	285,630.20
54420	WEBB COUNTY3	3,475,377.48
54471	WEBB COUNTY8	583,314.96
54498	WEBB COUNTY9	5,290,444.98
54519	WEBB COUNTY11	1,086,745.98
54594	WEBB COUNTY17	1,205.83
54607	WEBB COUNTY18	227,543.62
54615	PATRICIA A BARR	172.85
54623	PATRICIA A BAR1	3.85
54631	PATRICIA A BAR2	290.62
54658	PATRICIA A BA12	255,037.54
54666	PATRICIA A BA11	25,115.18
54674	PATRICIA A BA15	926.04
54690	PATRICIA A BA14	5.52
54703	PATRICIA A BA13	0.04
54711	WEBB COUNTY MAR	1,574,214.37
54738	WEBB COUNTY MAR	10,375,843.64
54949	DISTRICT ATTOR1	3,290,962.43
54957	DISTRICT ATTOR1	2,312.23
54965	DISTRICT ATTOR1	66,638.01
54981	WEBB COUNTY21	559,316.10
55001	MARGIE RAMIREZ	832,796.23
55028	JUAN GARZA	387,123.20
55044	JUAN GARZA1	36,671.27
2210074584	WEBB COUNTY CAS	1,754.69
2210252857	WEBB COUNTY5	238,649.05
2210267927	WEBB COUNTY1	92,308.65
2210267935	WEBB COUNTY1	424,796.47
2210448417	WEBB COUNTY	6,437,631.96



**WEBB COUNTY**  
**POLICY FOR THE INVESTMENT OF COUNTY FUNDS**  
**(2018)**

This policy for the investment of funds of Webb County is adopted by the Webb County Commissioners Court pursuant to Section 116.112 of the Texas Local Government Code, Chapter 2256 of the Texas Government Code, and Chapter 2257 of the Texas Government Code. This policy will be reviewed and adopted by order at least annually, in accordance with Section. 2256.005 (e) of the Texas Government Code.

**ARTICLE I. DEFINITIONS**

Unless the context requires otherwise, the following terms and phrases used shall mean the following:

- A. "Authorized Investment" -- the types of investments authorized for the investment of the County's funds listed in Article IV hereof.
- B. "Commissioners Court" -- the Webb County Commissioners Court. Composed of four (4) Commissioners and a County Judge.
- C. "County" -- Webb County.
- D. "FDIC" -- The Federal Deposit Insurance Corporation.
- E. "Funds" -- all funds and accounts containing money, investments, or other financial assets belonging to the County, the investment of which is governed by the Public Funds Investment Act.
- F. "Investment Officer" -- the County Treasurer and a County Treasurer's employee designated as the County's Investment Officer by the Commissioners Court; such person(s) is/are responsible for the investment of the County's funds.
- G. "Investment Policy" -- this policy for the funds of Webb County.
- H. "Public Funds Collateral Act" -- Chapter 2257 of the Texas Government Code.
- I. "Public Funds Investment Act" -- Chapter 2256 of the Texas Government Code.

**ARTICLE II. INVESTMENT POLICY**

**Section 2.01 Applicability.** This Investment Policy applies to all funds. See Sections 3.02 through 3.04.

**Section 2.02 Purpose.** The Commissioners Court desires to adopt this Investment Policy in order to comply with the Public Funds Investment Act and to set forth the general policies governing investment of the Funds, the specific investment strategies applicable to each particular Fund, the guidelines for the investment of the Funds, including the types of investments authorized for the Funds, and the investment management policies of the County.

**Section 2.03 Investment Policy.** The primary concern of the Investment Officer in the investment of the Funds shall be the preservation and safety of the principal. To the extent that the principal is protected, the secondary concern of the Investment Officer in investing the Funds shall be the liquidity of the County's investments. Finally, to the extent that principal is protected and there is liquidity, the Investment Officer shall invest the Funds to yield the market rate of return in accordance with this Investment Policy. The investment of all of the Funds shall be undertaken in accordance with the provisions of the Investment Policy.

Section 2.04 Standard of Care. The Investment Officer shall invest the Funds with the judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of the principal and probable income to be derived.

Section 2.05 Investment Diversification. Investments shall be diversified by security type and issuer. The investments shall also be diversified as to maturity as described in the investment strategies in Article III.

Section 2.06 Investment Yield. To the extent that the principal is protected and there is liquidity of the investments, the Funds shall be invested to yield the market rate of return of comparable maturity, taking into consideration the strength of any insured financial institution selling investments to the County, and complying with all applicable laws, rules, or regulations and any bond resolutions or orders adopted from time to time by the Commissioners Court requiring yield restrictions.

Section 2.07 Investment Maturities. The Funds shall be invested to mature to meet the County's cash requirements, but when cash requirements are met, the Funds shall be invested in accordance with the investment strategies developed for individual Funds, as described in Article III.

### ARTICLE III. INVESTMENT STRATEGIES

Section 3.01 Purpose. The purpose of this Article III is to describe the investment objectives for each separate Fund and to provide investment strategies to obtain such objectives in order to ensure that investments in a particular Fund are suitable for and meet the objectives of the Fund.

Section 3.02 General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds.

A. The same investment objectives apply to each of the following funds: General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds. They are: (1) preserving the safety of the principal; (2) ensuring that money is available as needed to meet the liabilities of each fund, as estimated on its annual operating budget or cash flow; and (3) ensuring that the investments can be readily liquidated in the event there are unexpected additional operating costs.

B. The Investment Officer shall invest money of the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds in any Authorized Investment; provided that, however, for money needed for the County's monthly operating expenses, as determined by the annual operating budget and cash flow, investments will mature no later than the date the money will be needed to pay such operating expenses. For any operating reserve, no investment will have a maturity greater than 12 months from date of purchase, unless the Commissioners Court authorizes an investment with a longer maturity. At no time will investments of 12 months or more constitute more than 15% of the portfolios of the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds.

Section 3.03 Capital Projects Funds.

A. The investment objectives of the Capital Projects Funds are: (1) preserving the safety of the principal; (2) ensuring that money is available as needed to meet the construction needs of the County; and (3) to the extent principal is protected and there is adequate liquidity, obtaining the maximum yield on investments as permitted by market conditions.

B. When applicable, the engineer/architect for a project shall submit to the Commissioners Court and the Investment Officer semi-annual written reports stating the anticipated construction needs of the County for the succeeding 12 months. Unless otherwise directed by the Commissioners Court, the written reports shall be submitted two months prior to the end of the County's fiscal year and six months thereafter.

C. The Investment Officer shall invest money of the Capital Projects Funds in any Authorized Investment; provided, however, that for money needed to meet the construction needs of the County, investments will mature no later than the date the money is expected to be needed to pay for the project. For other monies, investments will mature no later than 12 months after the date of purchase, unless the Commissioners Court authorizes an investment with a longer maturity. At no time will investments with maturities of 12 months or more constitute more than 25% of the Capital Projects Funds portfolio.

**Section 3.04 Debt Service Funds.**

A. The Investment objectives of the Debt Service Funds are: (1) preserving the safety of the principal; (2) ensuring that money is available as necessary to meet the debt service needs of the County; and (3) to the extent that principal is protected and there is adequate liquidity, obtaining the maximum yield as permitted by market conditions.

B. The Investment Officer shall invest money in the Debt Service Funds in any Authorized Investment for such Funds, and in accordance with any covenants made regarding the investment of these Funds as provided in any applicable bond order or resolution; provided, however, that for money needed for the County's next debt service payments, the investments will mature no later than the date the debt service payment is due. Once the immediate succeeding debt service payment is funded, investments will be purchased for the next debt service payment. If the next two debt service payments are fully funded, excess funds can be used for investments with maturity dates not to exceed two years from date of purchase unless otherwise authorized by the Commissioners Court. At no time will investments with maturities of two years or more constitute more than 20% of the Debt Service Fund portfolio.

**ARTICLE IV. INVESTMENT GUIDELINES**

**Section 4.01 Purpose.** The purpose of this Article IV is to set forth the types of Authorized Investments in which the Funds may be invested and the manner in which certain investments may be made.

**Section 4.02 Authorized Investments.** The Investment Officer is authorized to invest the Funds in the following types of investments:

1. **Obligations of, or Guaranteed by, the United States Government.** The Funds may be invested in obligations of, or guaranteed by, the United States or one of its agencies or instrumentalities. Authorized Investments in obligations of, or guaranteed by, the United States shall not constitute more than 75% of the portfolio. This includes "pass-through" mortgage-backed securities issued by such agencies or instrumentalities, with the exception of mortgage-backed securities listed in Section 4.03.

2. **Certificates of Deposit.** The Funds may be invested in certificates of deposit issued by a federally insured state or national bank domiciled in Texas or by a savings bank domiciled in Texas. Principal and accrued interest on certificates issued by a savings bank shall not exceed FDIC limits. Principal and accrued interest on certificates issued by a state or national bank domiciled in Texas shall not exceed FDIC limits and /or the collateral pledged as security for the County's investments as set forth in Section 4.04. Authorized Investments in certificates of deposit shall not constitute more than 20% of the portfolio.

3. **Investment Pools.** The Funds may be invested in investment pools authorized by the Public Funds Investment Act, Section 2256.016 ("eligible investment pools"), if the Commissioners Court by resolution or order authorizes investment in the particular eligible investment pool. An eligible investment pool shall invest the funds it receives from the County in authorized investments permitted by the Public Funds Investment Act. The County by contract may delegate to an eligible investment pool the authority to hold legal

title as custodian of investments purchased with its local funds. Authorized Investments in eligible investments pool may constitute up to 100% of the portfolio.

4. Mutual Funds and Money Market Mutual Funds. The Funds may be invested in mutual funds and AAA-rated money market mutual funds permitted by and in conformance with the Public Funds Investment Act, Section 2256.014, Texas Government Code. Authorized Investments in mutual funds are restricted to 15% of the monthly average fund balance in accordance with the Public Funds Investment Act, Section 2256.014 (c) (1). No more than 80% of the County's monthly average fund balance may be invested in the aggregate separately or collectively in money market funds and mutual funds. In accordance with the Public Funds Investment Act, Section 2256.014 (c) (3), no bond proceeds, reserves or debt service funds may be placed in mutual funds.

5. Repurchased Agreements. The Funds may be invested in fully collateralized repurchase agreements if the repurchase agreement 1) has a defined termination date; 2) is secured by obligations described by Section 2256.009 (a) (1) of the Public Funds Investment Act; 3) requires the securities being purchased by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County; and 4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state. In this section, "repurchase agreement" means a simultaneous agreement to buy, hold for a specified period of time, and sell back at a future date, obligations described by Section 2256.009 (a) (1) of the Public Funds Investment Act, at a market value at the time funds are disbursed of not less than the principal amount of the funds disbursed. Authorized investments in repurchase agreements shall not constitute more than 50% of the portfolio.

Section 4.03 Prohibited Investments. The Funds are strictly prohibited from being invested in any of the following investment instruments:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 4.04 Security of Funds/Collateral Policy.

A. All Funds held by an insured state or national bank domiciled in Texas in demand deposits or in certificates of deposit shall be secured by the FDIC and /or by 102% in pledged collateral. All Funds held in certificates of deposit by a savings bank domiciled in Texas must be fully secured by the FDIC. The County recognizes that the FDIC insurance is only available up to a maximum of \$250,000 per public unit.

B. To the extent the Funds held by banks domiciled in Texas are not insured by the FDIC, they shall be secured in the manner provided by law for the security of funds by the Public Funds Collateral Act. There shall be pledged as collateral for such funds, at a rate of 102% collateral, any of the following book entry securities: (1) government securities or obligations issued by the State of Texas, its agencies or political subdivisions, and approved by the Attorney General of Texas, payable from taxes; or (2) obligations of the United States or its agencies and instrumentalities, excluding mortgage backed securities; or (3) any other obligations or securities authorized to be collateral securing the funds of counties under the laws of the State of Texas that are approved by the Commissioners Court. All collateral shall be placed with an independent third party financial institution for safekeeping, with original safekeeping receipts issued to the County.

Section 4.05 Competitive Bidding. At least three bids/offers shall be solicited for each investment. Bids/offers may be solicited orally, in writing, electronically, or in any combination thereof.

Section 4.06 Authorized Financial Dealers and Institutions. A list will be maintained by the Investment Officer of creditworthy financial institutions and dealers authorized to sell investments to the County. All financial institutions and dealers who would like to become qualified to bid/offer on investments other than certificates of deposit and repurchase agreements must submit the following to the investment officer: (1) audited financial statements; (2) proof of National Association of Securities Dealers (NASD) certification, or for financial institutions, a statement from a senior bank official that the institution is registered as a government securities dealer; (3) proof of state registration; and (4) certification required by the Public Funds Investment Act. Compliance with these requirements must be verified by the Investment Officer before any transaction can be completed. An annual review of the financial condition and registration of qualified dealers and institutions will be conducted by the Investment Officer.

Section 4.07 Electronic Wire Transfers. Electronic means may be used to transfer or invest all Funds.

Section 4.08 Delivery vs. Payment. All investments, except certificates of deposit, investment pool funds and mutual funds, will be executed by delivery vs. payment (DVP) to ensure that investments purchased are deposited in the County's financial institution prior to the release of money in payment therefore.

Section 4.09 Loss of Required Rating. An investment under Section 4.02 that requires a minimum rating does not qualify as an Authorized Investment during the period that the investment does not have the minimum rating. The Investment Officer shall take all prudent measures that are consistent with this Investment Policy to liquidate any investment that does not comply with a minimum rating requirement.

## ARTICLE V. INVESTMENT MANAGEMENT

Section 5.01 Designation of Investment Officer. The Commissioners Court may designate the County Treasurer, and/or one or more County Treasurer's employees to serve as the Investment Officer for the County. The Investment Officer has the authority to invest the Funds in accordance with this Investment Policy and applicable law.

Section 5.02 Investment Training. The Investment Officer (s) shall attend at least one training session relating to such person's responsibilities under the Public Funds Investment Act within 12 months after taking office or assuming duties and attend an investment training yearly to obtain not less than 10 hours of instruction relating to investment responsibilities from an independent source approved by the Webb County Commissioners Court. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

Section 5.03 Compliance Audit. The County, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to this Investment Policy.

Section 5.04 Internal Management Reports. Not less than quarterly, the Investment Officer shall prepare and submit to the Commissioners Court a written report of investment transactions for all Funds as required by the Public Funds Investment Act, Section 2256.023 (b), Texas Government Code.

Section 5.05 Conflicts of Interest. In the event that the Investment Officer has a personal business relationship with an entity seeking to sell an investment to the County, the Investment Officer shall file a statement with the Commissioners Court and the Texas Ethics Commission disclosing that personal business relationship prior to purchasing such investment. An Investment Officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to

sell an investment to the County shall file a statement with the Commissioners Court and the Texas Ethics Commission disclosing that relationship.

Section 5.06 Disclosure of Investment Policies.

A. The Investment Officer shall provide a copy of this Investment Policy to any person offering to engage in an investment transaction with the County. The qualified representative of the business organization or senior bank official offering to engage in an investment transaction with the County shall execute a written acknowledgment in the form set forth in Appendix "A" hereto, to the effect that the qualified representative or senior bank official has received and reviewed the Investment Policy of the County and acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude the investment transactions conducted between the County and the organization that are not authorized by the County's investment policy. The Investment Officer shall not acquire or otherwise obtain any authorized investment described in the investment policy of the County from a person who has not delivered to the County a written acknowledgement substantially to the effect as set forth in Appendix "A".

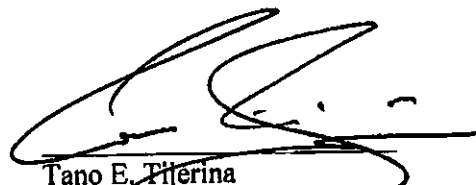
B. The County shall present the Investment Officer with a copy of this Investment Policy and the Investment Officer shall execute a written statement in the form set forth in Appendix "B" to the effect that the Investment Officer has reviewed the Investment Policy and has implemented procedures and controls to comply with this Investment Policy.

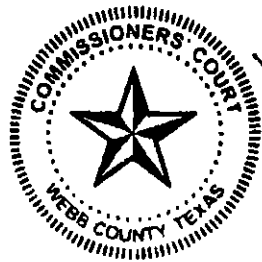
**ARTICLE VI. MISCELLANEOUS**

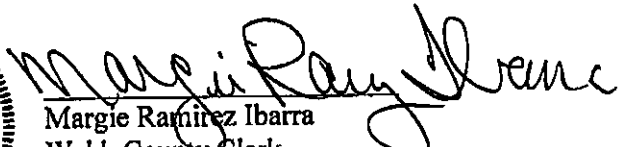
Section 6.01 Open Meeting. The Commissioners Court officially finds, determines, and declares that this Investment Policy was reviewed, carefully considered, and adopted at a regular meeting of the Commissioners Court beginning at 9:00 a.m. on **August 27, 2018** and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the County and on a bulletin board located at a place convenient to the public in the Webb County Courthouse for the time required by law preceding this meeting, as required by the Open Meetings Act, Texas Government Code, Section 551, et seq., as amended, and that this meeting had been open to the public as required by law at all times during which this Investment Policy was discussed, considered, and acted upon. The Commissioners Court further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 6.02. Effective Date. This Investment Policy shall be effective as of **August 27, 2018**.

(SEAL)

  
Tano E. Tijerina  
Webb County Judge



  
Margie Ramirez Ibarra  
Webb County Clerk

**WEBB COUNTY COMMISSIONERS COURT  
ORDER**

**WHEREAS**, the Commissioners Court of Webb County, Texas, desires to adopt an Investment Policy in order to comply with the Public Funds Investment Act as outlined under chapter 2256 of the Texas Government Code; and

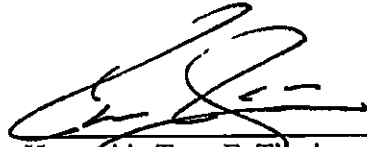
**WHEREAS**, the Commissioners Court of Webb County, Texas, is desirous in its Investment Policy to set forth the general policies governing investment of Public Funds, the specific investment strategies applicable to each particular Fund, the guidelines for the investment of the Funds, and the investment management policies of Webb County; and

**WHEREAS**, the Commissioners Court of Webb County, pursuant to Texas Government Code section 2256.005, must review its Investment Policy on annual basis; and

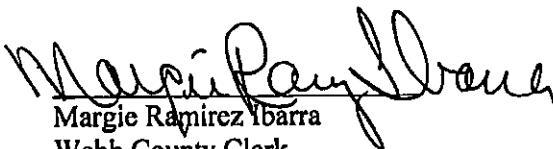
**WHEREAS**, the Commissioners Court of Webb County, Texas has reviewed its Investment Policy and Investment Strategies for Fiscal Year 2018.

**NOW THEREFORE**, be it **ORDERED** that the Commissioners Court of Webb County, Texas adopts Webb County Investment Policy for fiscal year 2018.

Passed and Approved on this the 27th day of August, 2018.

  
\_\_\_\_\_  
Honorable Tano E. Tijerina  
Webb County Judge

**ATTESTED:**

  
Margie Ramirez Ibarra  
Webb County Clerk





# APPENDIX “A”



*Delia Perales*  
*Webb County Treasurer*

August 27, 2018

AUTHORIZED LOCAL BANK FOR SHORT TERM CD'S, FDIC OR NCUA National Credit Union Administration:

COMPASS BANK

TEXAS COMMUNITY BANK

WELLS FARGO

COMMERCE BANK

CHASE BANK

LAREDO FEDERAL CREDIT UNION



**TEXAS PUBLIC FUNDS INVESTMENT ACT  
ACKNOWLEDGEMENT AND CERTIFICATION  
OF INVESTMENT POLICIES**

This Acknowledgement and Certification is executed on behalf of the Texas Local Government Investment Pools, TexPool and TexPool Prime (collectively, "TexPool"), and Federated Investment Counseling, as investment adviser to TexPool ("Adviser"), pursuant to Section 2256.005(k), Texas Government Code, in connection with investment transactions conducted between the Webb County ("Investing Entity") and TexPool.

The undersigned, who is a qualified representative of both TexPool and Adviser (the "Qualified Representative") hereby certifies on behalf of TexPool and Adviser that, as of the date of this letter:

- (i.) The Qualified Representative is duly authorized to execute this Acknowledgment and Certification on behalf of TexPool and Adviser; and
- (ii.) The Qualified Representative has received and reviewed the Investing Entity's investment policy attached hereto as Exhibit A (the "Policy"); and
- (iii.) TexPool and Adviser have implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Investing Entity and TexPool that are not authorized by the Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Investing Entity's entire portfolio or requires an interpretation of subjective investment standards.

TEXPOOL

FEDERATED INVESTMENT  
COUNSELING

Signature: Steven A. Friedman  
Authorized Signatory

Signature: Steven A. Friedman  
Vice President

Date: June 14, 2018

Date: June 14, 2018



## Monthly Newsletter: July 2018

### ANNOUNCEMENTS

We welcome the following entities who joined TexPool in June 2018:

**TexPool**  
 Travis County ESD 4  
 KI Charter Academy  
 Rowlett Housing Finance Corporation  
 Harris County WCID 161  
 City of Colleyville  
 Dewitt County Drainage District No. 1  
 Brazoria County ESD 2  
 Shepherd ISD

**TexPool Prime**  
 Travis County ESD 4  
 Rowlett Housing Finance Corporation  
 Upper Brushy Creek WCID  
 Winkler County  
 Dewitt County Drainage District No. 1  
 Florence ISD  
 Shepherd ISD

### Upcoming Events

Jul 08, 2018 - Jul 10, 2018, Gaylord Texan Resort & Convention Center, Grapevine  
 2018 TASSCUBO Summer Conference

Aug 29, 2018 - Aug 31, 2018, Fairmont, Austin  
 2018 TAC Legislative Conference

Sep 28, 2018 - Sep 30, 2018, Austin Convention Center, Austin  
 2018 TASA/TASB Annual Convention

Oct 10, 2018 - Oct 12, 2018, Fort Worth Convention Center, Ft. Worth  
 2018 Texas Municipal League Conference

### TexPool Advisory Board Members

Jose Elizondo, Jr.	Vivian Wood
Belinda Weaver	Jerry Dale
Patrick Krishock	Sharon Matthews
Michele Tuttle	David Landeros

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

## Economic and Market Commentary: No more normal?

July 1, 2018

For the Federal Reserve over the last 2½ years, business as normal has been the business of normalizing policy. It looks as if the Fed has finally shifted to tightening.

In mid-June, it raised rates to a target range of 1.75-2%, closer than the Fed has been in more than a decade to its comfort zone. With its summary of economic projections now indicating two more hikes in 2018 (our house call, as well) and three in 2019, quantitative tapering (QT) set to expand to \$40 billion per month in July and Chair Jerome Powell's upbeat assessment of the economy, it appears expansionary policy will soon run its course. We likely are near a bona-fide tightening cycle.

In addition to gushing about the economy, Powell announced that starting in July, he would be holding press conferences after every Federal Open Market Committee meeting instead of every other one. This is the culmination of years of trying to make the Fed's decision-making transparent, a far cry from its tradition of keeping monetary policy a secret. Powell's reasoning is that the markets have stopped even considering rate action in meetings when he doesn't speak. That is true, but the extra pressers could result in occasional unintentional transmitting of information. Case in point: June's hike. While the committee simply indicated it expected

*(continued page 6)*

### Performance as of June 30, 2018

	TexPool	TexPool Prime
Current Invested Balance	\$18,198,612,856.87	\$4,975,084,306.61
Weighted Average Maturity	24	35
Weighted Average Life	81	65
Net Asset Value	1.0000	1.00006
Total Number of Participants	2488	321
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$27,562,003.68	\$8,971,476.92
Management Fee Collected	\$678,558.72	\$247,375.80
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$18,541,382,394.06	\$5,197,744,473.26
Average Monthly Rate	1.81%	2.10%
Average Weighted Average Maturity	27	28
Average Weighted Average Life	81	57

\*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

\*\*See page 2 for definitions.

Past performance is no guarantee of future results.

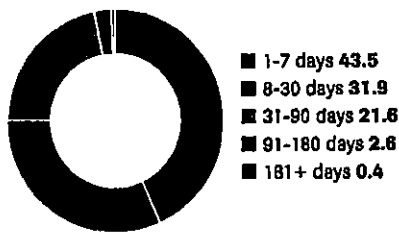
TexPool Participant Services  
 1001 Texas Avenue, Suite 1400 • Houston, TX 77002  
 Phone: 1-866-TEXPOOL (839-7665) • Fax: 1-866-839-3291 • TexPool.com

Managed and Serviced by **Federated.**

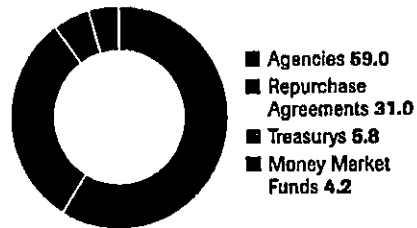
G35884-24 (7/18)



**Portfolio by Maturity (%)**  
As of June 30, 2018



**Portfolio by Type of Investment (%)**  
As of June 30, 2018



**Portfolio Asset Summary as of June 30, 2018**

	Book Value	Market Value
Uninvested Balance	\$502,384.54	\$502,384.54
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,187,786.00	10,187,786.00
Interest and Management Fees Payable	-27,562,047.28	-27,562,047.28
Payable for Investments Purchased	-78,500,000.00	-78,500,000.00
Accrued Expenses & Taxes	-44,418.20	-44,418.20
Repurchase Agreements	5,871,101,000.00	5,871,101,000.00
Mutual Fund Investments	776,022,103.88	776,022,103.88
Government Securities	10,789,947,224.15	10,789,978,701.20
U.S. Treasury Inflation Protected Securities	78,993,367.43	79,985,714.40
US Treasury Bills	727,104,647.22	727,197,501.77
US Treasury Notes	249,880,908.11	249,708,672.00
<b>Total</b>	<b>\$18,198,612,856.87</b>	<b>\$18,198,577,398.33</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

**Participant Summary**

	Number of Participants	Balance
School District	586	\$5,971,145,027.86
Higher Education	57	\$787,903,102.82
Healthcare	82	\$648,473,644.69
Utility District	790	\$2,728,490,816.76
City	460	\$4,238,892,285.04
County	185	\$1,998,978,861.45
Other	326	\$1,824,448,001.72

**\*\*Definition of Weighted Average Maturity and Weighted Average Life**

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.



Daily Summary						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
6/1	1.7671%	0.000048414	\$18,743,106,312.49	0.99994	30	84
6/2	1.7671%	0.000048414	\$18,743,106,312.49	0.99994	30	84
6/3	1.7671%	0.000048414	\$18,743,106,312.49	0.99994	30	84
6/4	1.7688%	0.000048454	\$18,749,308,172.42	0.99994	27	82
6/5	1.7542%	0.000048061	\$18,699,261,017.05	0.99994	28	81
6/6	1.7526%	0.000048016	\$18,686,145,432.81	0.99993	28	85
6/7	1.7535%	0.000048040	\$18,572,962,483.30	0.99995	28	85
6/8	1.7478%	0.000047887	\$18,737,471,846.41	0.99995	28	84
6/9	1.7479%	0.000047887	\$18,737,471,846.41	0.99995	28	84
6/10	1.7479%	0.000047887	\$18,737,471,846.41	0.99995	28	84
6/11	1.7464%	0.000047846	\$18,793,401,300.40	0.99995	26	81
6/12	1.7440%	0.000047781	\$18,788,749,727.87	0.99996	26	81
6/13	1.7561%	0.000048113	\$18,674,602,441.40	0.99995	26	80
6/14	1.8207%	0.000049881	\$18,574,812,382.02	0.99997	27	81
6/15	1.8295%	0.000050123	\$18,491,842,249.70	0.99997	29	83
6/16	1.8295%	0.000050123	\$18,491,842,249.70	0.99997	29	83
6/17	1.8295%	0.000050123	\$18,491,842,249.70	0.99997	29	83
6/18	1.8302%	0.000050142	\$18,492,040,345.51	0.99997	26	81
6/19	1.8387%	0.000050376	\$18,511,529,756.83	0.99998	27	80
6/20	1.8326%	0.000050208	\$18,480,812,253.91	0.99998	27	80
6/21	1.8338%	0.000050241	\$18,404,673,750.30	0.99998	27	80
6/22	1.8564%	0.000050859	\$18,327,229,408.47	0.99997	27	80
6/23	1.8564%	0.000050859	\$18,327,229,408.47	0.99997	27	80
6/24	1.8564%	0.000050859	\$18,327,229,408.47	0.99997	27	80
6/25	1.8593%	0.000050939	\$18,495,834,185.00	0.99997	25	77
6/26	1.8574%	0.000050888	\$18,454,355,360.38	0.99998	24	76
6/27	1.8672%	0.000051155	\$18,260,776,248.88	0.99998	25	80
6/28	1.8716%	0.000051277	\$18,285,931,819.01	0.99998	24	79
6/29	1.9206%	0.000052620	\$18,198,612,856.87	1.00000	24	81
6/30	1.9206%	0.000052620	\$18,198,612,856.87	1.00000	24	81
<b>Average</b>	<b>1.8110%</b>	<b>0.000048817</b>	<b>\$18,541,382,394.06</b>	<b>.99996</b>	<b>27</b>	<b>81</b>

# APPENDIX “B”



TEXPOOL BANK ACCOUNTS

Investment Account #	Fund Number	Fund Name
TEXPOOL		
Bank Acct: 24022000:		
005	5200	PERMANENT SCHOOL FUND
006	1001	GENERAL FUND
016	4100	DEBT SERVICE
018	2004	HOTEL MOTEL OCCUPANCY TAX
020	7200	WATER UTILITY
027	2180	CONST. PCT. 1 FED FORFEIT
030	5100	AVAILABLE SCHOOL FUND
031	2151	SHERIFF STATE FORFEITURE
032	2153	SHERIFF FEDERAL FORFEITURE
033	2160	DISTRICT ATTORNEY STATE FORFEITURE
047	2827	TJPC-P JJAEP TEXAS EDUCATION
048	2909	CHILD WELFARE UNIT
068	3015	CONTINGENCY RESERVE FUND
078	2170	COUNTY ATTORNEY STATE FORFEITURE
079	2007	OLD MILWAUKEE DEPOSITED FUNDS (ROAD & BRIDGE)
087	2171	COUNTY ATTORNEY FEDERAL FORFEITURE
088	2152	SHERIFF JUSTICE FEDERAL FORFEITURE
089	2023	DETENTION PROPERTY FUND
090	2172	COUNTY ATTY FEDERAL TREASURY FORFEITURE
091	3866	INTEREST INCOME SERIES 2016
	3864	JUDICIAL & PUBLIC SAFETY 2016
	7220	WATER UTILITY IMPROVEMENT SERIES 2016
	3865	CAMPUS CHILLER SERIES 2016
092	3140	JUVENILE DRUG REHAB & DETOX 2013
	3175	LAND & BUILDING PURCHASE 2013
	3190	CAPITAL OUTLAY SERIES 2013
	3200	INTEREST INCOME SERIES 2013

# EXHIBITS

# **EXHIBIT I**

## **CHAPTER 2256. GOVERNMENT CODE PUBLIC FUNDS INVESTMENT**

# GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

## GOVERNMENT CODE

### TITLE 10. GENERAL GOVERNMENT

#### SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT

#### CHAPTER 2256. PUBLIC FUNDS INVESTMENT

#### SUBCHAPTER A. AUTHORIZED INVESTMENTS FOR GOVERNMENTAL ENTITIES

Sec. 2256.001. SHORT TITLE. This chapter may be cited as the Public Funds Investment Act.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.002. DEFINITIONS. In this chapter:

(1) "Bond proceeds" means the proceeds from the sale of bonds, notes, and other obligations issued by an entity, and reserves and funds maintained by an entity for debt service purposes.

(2) "Book value" means the original acquisition cost of an investment plus or minus the accrued amortization or accretion.

(3) "Funds" means public funds in the custody of a state agency or local government that:

- (A) are not required by law to be deposited in the state treasury; and
- (B) the investing entity has authority to invest.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(5) "Investing entity" and "entity" mean an entity subject to this chapter and described by Section 2256.003.

(6) "Investment pool" means an entity created under this code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are:

- (A) preservation and safety of principal;
- (B) liquidity; and
- (C) yield.

(7) "Local government" means a municipality, a county, a school district, a district or authority created under Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, and any nonprofit corporation acting on behalf of any of those entities.

(8) "Market value" means the current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

(9) "Pooled fund group" means an internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested.

(10) "Qualified representative" means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

- (A) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;

## GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

(B) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution;

(C) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool; or

(D) for an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or, if not subject to registration under that Act, registered with the State Securities Board, a person who is an officer or principal of the investment management firm.

(11) "School district" means a public school district.

(12) "Separately invested asset" means an account or fund of a state agency or local government that is not invested in a pooled fund group.

(13) "State agency" means an office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 1, eff. Sept. 1, 1999.

Sec. 2256.003. AUTHORITY TO INVEST FUNDS; ENTITIES SUBJECT TO THIS CHAPTER. (a) Each governing body of the following entities may purchase, sell, and invest its funds and funds under its control in investments authorized under this subchapter in compliance with investment policies approved by the governing body and according to the standard of care prescribed by Section 2256.006:

- (1) a local government;
- (2) a state agency;
- (3) a nonprofit corporation acting on behalf of a local government or a state agency; or
- (4) an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities.

(b) In the exercise of its powers under Subsection (a), the governing body of an investing entity may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made under authority of this subsection may not be for a term longer than two years. A renewal or extension of the contract must be made by the governing body of the investing entity by order, ordinance, or resolution.

(c) This chapter does not prohibit an investing entity or investment officer from using the entity's employees or the services of a contractor of the entity to aid the investment officer in the execution of the officer's duties under this chapter.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 2, eff. Sept. 1, 1999.

Sec. 2256.004. APPLICABILITY. (a) This subchapter does not apply to:

- (1) a public retirement system as defined by Section 802.001;
- (2) state funds invested as authorized by Section 404.024;
- (3) an institution of higher education having total endowments of at least \$95 million in book value on May 1, 1995;

## GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

(4) funds invested by the Veterans' Land Board as authorized by Chapter 161, 162, or 164, Natural Resources Code;

(5) registry funds deposited with the county or district clerk under Chapter 117, Local Government Code; or

(6) a deferred compensation plan that qualifies under either Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1 et seq.), as amended.

(b) This subchapter does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 505, Sec. 24, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 8.21, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1454, Sec. 3, eff. Sept. 1, 1999.

Sec. 2256.005. INVESTMENT POLICIES; INVESTMENT STRATEGIES; INVESTMENT OFFICER. (a) The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.

(b) The investment policies must:

- (1) be written;
- (2) primarily emphasize safety of principal and liquidity;
- (3) address investment diversification, yield, and maturity and the quality and capability of investment management; and
- (4) include:
  - (A) a list of the types of authorized investments in which the investing entity's funds may be invested;
  - (B) the maximum allowable stated maturity of any individual investment owned by the entity;
  - (C) for pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;
  - (D) methods to monitor the market price of investments acquired with public funds;
  - (E) a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and
  - (F) procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

(c) The investment policies may provide that bids for certificates of deposit be solicited:

- (1) orally;
- (2) in writing;
- (3) electronically; or
- (4) in any combination of those methods.

(d) As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

- (1) understanding of the suitability of the investment to the financial requirements of the entity;
- (2) preservation and safety of principal;
- (3) liquidity;

## GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

(4) marketability of the investment if the need arises to liquidate the investment before maturity;

(5) diversification of the investment portfolio; and

(6) yield.

(e) The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

(f) Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity. If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of this chapter. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

(g) Subsection (f) does not apply to a state agency, local government, or investment pool for which an officer of the entity is assigned by law the function of investing its funds.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 685, Sec. 1

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be an investment officer for the commission under Subsection (f) if the officer or employee is an investment officer designated under Subsection (f) for another local government.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 1421, Sec. 3

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under Subsection (f) for any investing entity other than for that commission.

(i) An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:



## GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

(1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

(2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or

(3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

(j) The governing body of an investing entity may specify in its investment policy that any investment authorized by this chapter is not suitable.

(k) A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with an investing entity or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. For purposes of this subsection, a business organization includes investment pools and an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investing entity to determine that they are in compliance with the investment policy. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

(1) received and reviewed the investment policy of the entity; and

(2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

(1) The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a person who has not delivered to the entity the instrument required by Subsection (k).

(m) An investing entity other than a state agency, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the entity's established investment policies.

(n) Except as provided by Subsection (o), at least once every two years a state agency shall arrange for a compliance audit of management controls on investments and adherence to the agency's established investment policies. The compliance audit shall be performed by the agency's internal auditor or by a private auditor employed in the manner provided by Section 321.020. Not later than January 1 of each even-numbered year a state agency shall report the results of the most recent audit performed under this subsection to the state auditor. Subject to a risk assessment and to the legislative audit committee's approval of including a review by the state auditor in the audit plan under Section 321.013, the state auditor may review information provided under this section. If review by the state auditor is approved by the legislative audit committee, the state auditor may, based on its review, require a state agency to also report to the state auditor other information the state auditor determines necessary to assess compliance with laws and policies applicable to state agency investments. A report under this subsection shall be prepared in a manner the state auditor prescribes.

(o) The audit requirements of Subsection (n) do not apply to assets of a state agency that are invested by the comptroller under Section 404.024.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 685, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 3, eff. Sept. 1,

## GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

1997; Acts 1999, 76th Leg., ch. 1454, Sec. 4, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 785, Sec. 41, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 1, eff. June 17, 2011.

Sec. 2256.006. STANDARD OF CARE. (a) Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority:

- (1) preservation and safety of principal;
- (2) liquidity; and
- (3) yield.

(b) In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

(1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

(2) whether the investment decision was consistent with the written investment policy of the entity.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.007. INVESTMENT TRAINING; STATE AGENCY BOARD MEMBERS AND OFFICERS. (a) Each member of the governing board of a state agency and its investment officer shall attend at least one training session relating to the person's responsibilities under this chapter within six months after taking office or assuming duties.

(b) The Texas Higher Education Coordinating Board shall provide the training under this section.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

(d) An investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency. The investment officer shall prepare a report on this subchapter and deliver the report to the governing body of the state agency not later than the 180th day after the last day of each regular session of the legislature.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 73, Sec. 1, eff. May 9, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 4, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 5, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 2, eff. June 17, 2011.

Sec. 2256.008. INVESTMENT TRAINING; LOCAL GOVERNMENTS.

Text of subsection as amended by Acts 2015, 84th Leg., R.S., Ch. 222 (H.B. 1148), Sec. 1

## GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

(a) Except as provided by Subsections (b) and (e), the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

(1) attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and

(2) except as provided by Subsections (b), (e), and (f), attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

Text of subsection as amended by Acts 2015, 84th Leg., R.S., Ch. 1248 (H.B. 870), Sec. 1

(a) Except as provided by Subsections (a-1), (b), and (e), the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

(1) attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and

(2) attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

(a-1) In addition to the requirements of Subsection (a)(1), the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a school district or a municipality shall attend an investment training session not less than once in a two-year period that begins on the first day of the school district's or municipality's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the school district or municipality, or by a designated investment committee advising the investment officer as provided for in the investment policy of the school district or municipality.

(b) An investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, that has contracted with an investment management firm under Section 2256.003(b) and has fewer than five full-time employees or an investing entity that has contracted with another investing entity to invest the entity's funds may satisfy the training requirement provided by Subsection (a)(2) by having an officer of the governing body attend four hours of appropriate instruction in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive

## GOVERNMENT CODE CHAPTER 2256. PUBLIC FUNDS INVESTMENT

fiscal years after that date. The treasurer or chief financial officer of an investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, and that has fewer than five full-time employees is not required to attend training required by this section unless the person is also the investment officer of the entity.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

(d) Not later than December 31 each year, each individual, association, business, organization, governmental entity, or other person that provides training under this section shall report to the comptroller a list of the governmental entities for which the person provided required training under this section during that calendar year. An individual's reporting requirements under this subsection are satisfied by a report of the individual's employer or the sponsoring or organizing entity of a training program or seminar.

(e) This section does not apply to a district governed by Chapter 36 or 49, Water Code.

(f) Subsection (a) (2) does not apply to an officer of a municipality if the municipality:

- (1) does not invest municipal funds; or
- (2) only deposits municipal funds in:
  - (A) interest-bearing deposit accounts; or
  - (B) certificates of deposit as authorized by Section 2256.010.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 5, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 6, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 69, Sec. 4, eff. May 14, 2001.

Amended by:

- Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 3, eff. June 17, 2011.
- Acts 2015, 84th Leg., R.S., Ch. 222 (H.B. 1148), Sec. 1, eff. September 1, 2015.
- Acts 2015, 84th Leg., R.S., Ch. 1248 (H.B. 870), Sec. 1, eff. September 1, 2015.

Sec. 2256.009. AUTHORIZED INVESTMENTS: OBLIGATIONS OF, OR GUARANTEED BY GOVERNMENTAL ENTITIES. (a) Except as provided by Subsection (b), the following are authorized investments under this subchapter:

- (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities;
  - (2) direct obligations of this state or its agencies and instrumentalities;
  - (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
  - (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
  - (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and
  - (6) bonds issued, assumed, or guaranteed by the State of Israel.
- (b) The following are not authorized investments under this section:
- (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

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(2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

(3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and

(4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 7, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 558, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 4, eff. June 17, 2011.

Sec. 2256.010. AUTHORIZED INVESTMENTS: CERTIFICATES OF DEPOSIT AND SHARE CERTIFICATES.

(a) A certificate of deposit or share certificate is an authorized investment under this subchapter if the certificate is issued by a depository institution that has its main office or a branch office in this state and is:

(1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;

(2) secured by obligations that are described by Section 2256.009(a), including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b); or

(3) secured in any other manner and amount provided by law for deposits of the investing entity.

(b) In addition to the authority to invest funds in certificates of deposit under Subsection (a), an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this subchapter:

(1) the funds are invested by an investing entity through:

(A) a broker that has its main office or a branch office in this state and is selected from a list adopted by the investing entity as required by Section 2256.025; or

(B) a depository institution that has its main office or a branch office in this state and that is selected by the investing entity;

(2) the broker or the depository institution selected by the investing entity under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;

(3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and

(4) the investing entity appoints the depository institution selected by the investing entity under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

Amended by Acts 1995, 74th Leg., ch. 32, Sec. 1, eff. April 28, 1995; Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 6, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 128 (H.B. 256), Sec. 1, eff. September 1, 2005.

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Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 5, eff. June 17, 2011.

Sec. 2256.011. AUTHORIZED INVESTMENTS: REPURCHASE AGREEMENTS. (a) A fully collateralized repurchase agreement is an authorized investment under this subchapter if the repurchase agreement:

- (1) has a defined termination date;
- (2) is secured by a combination of cash and obligations described by Section 2256.009(a)(1); and
- (3) requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity; and
- (4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

(b) In this section, "repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Section 2256.009(a)(1), at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

(c) Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered.

(d) Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 6, eff. June 17, 2011.

Sec. 2256.0115. AUTHORIZED INVESTMENTS: SECURITIES LENDING PROGRAM. (a) A securities lending program is an authorized investment under this subchapter if it meets the conditions provided by this section.

(b) To qualify as an authorized investment under this subchapter:

- (1) the value of securities loaned under the program must be not less than 100 percent collateralized, including accrued income;
- (2) a loan made under the program must allow for termination at any time;
- (3) a loan made under the program must be secured by:
  - (A) pledged securities described by Section 2256.009;
  - (B) pledged irrevocable letters of credit issued by a bank that is:
    - (i) organized and existing under the laws of the United States or any other state; and
    - (ii) continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
- (C) cash invested in accordance with Section:
  - (i) 2256.009;
  - (ii) 2256.013;
  - (iii) 2256.014; or
  - (iv) 2256.016;

(4) the terms of a loan made under the program must require that the securities being held as collateral be:

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- (A) pledged to the investing entity;
  - (B) held in the investing entity's name; and
  - (C) deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity;
- (5) a loan made under the program must be placed through:
- (A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003; or
  - (B) a financial institution doing business in this state; and
- (6) an agreement to lend securities that is executed under this section must have a term of one year or less.

Added by Acts 2003, 78th Leg., ch. 1227, Sec. 1, eff. Sept. 1, 2003.

Sec. 2256.012. AUTHORIZED INVESTMENTS: BANKER'S ACCEPTANCES. A bankers' acceptance is an authorized investment under this subchapter if the bankers' acceptance:

- (1) has a stated maturity of 270 days or fewer from the date of its issuance;
- (2) will be, in accordance with its terms, liquidated in full at maturity;
- (3) is eligible for collateral for borrowing from a Federal Reserve Bank; and
- (4) is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.013. AUTHORIZED INVESTMENTS: COMMERCIAL PAPER. Commercial paper is an authorized investment under this subchapter if the commercial paper:

- (1) has a stated maturity of 270 days or fewer from the date of its issuance; and
- (2) is rated not less than A-1 or P-1 or an equivalent rating by at least:
  - (A) two nationally recognized credit rating agencies; or
  - (B) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.014. AUTHORIZED INVESTMENTS: MUTUAL FUNDS. (a) A no-load money market mutual fund is an authorized investment under this subchapter if the mutual fund:

- (1) is registered with and regulated by the Securities and Exchange Commission;
- (2) provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);

- (3) has a dollar-weighted average stated maturity of 90 days or fewer; and
- (4) includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.

(b) In addition to a no-load money market mutual fund permitted as an authorized investment in Subsection (a), a no-load mutual fund is an authorized investment under this subchapter if the mutual fund:

- (1) is registered with the Securities and Exchange Commission;
- (2) has an average weighted maturity of less than two years;
- (3) is invested exclusively in obligations approved by this subchapter;



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(4) is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and

(5) conforms to the requirements set forth in Sections 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.

(c) An entity is not authorized by this section to:

(1) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in Subsection (b);

(2) invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in Subsection (b); or

(3) invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in Subsection (a) or (b) in an amount that exceeds 10 percent of the total assets of the mutual fund.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 7, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 8, eff. Sept. 1, 1999.

Sec. 2256.015. AUTHORIZED INVESTMENTS: GUARANTEED INVESTMENT CONTRACTS. (a) A guaranteed investment contract is an authorized investment for bond proceeds under this subchapter if the guaranteed investment contract:

(1) has a defined termination date;

(2) is secured by obligations described by Section 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and

(3) is pledged to the entity and deposited with the entity or with a third party selected and approved by the entity.

(b) Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested under this subchapter in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds.

(c) To be eligible as an authorized investment:

(1) the governing body of the entity must specifically authorize guaranteed investment contracts as an eligible investment in the order, ordinance, or resolution authorizing the issuance of bonds;

(2) the entity must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;

(3) the entity must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;

(4) the price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and

(5) the provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 8, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 9, 10, eff. Sept. 1, 1999.

Sec. 2256.016. AUTHORIZED INVESTMENTS: INVESTMENT POOLS. (a) An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in

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authorized investments permitted by this subchapter. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this subchapter and the investment policies and objectives adopted by the investment pool.

(b) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

- (1) the types of investments in which money is allowed to be invested;
- (2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
- (3) the maximum stated maturity date any investment security within the portfolio has;
- (4) the objectives of the pool;
- (5) the size of the pool;
- (6) the names of the members of the advisory board of the pool and the dates their terms expire;
- (7) the custodian bank that will safekeep the pool's assets;
- (8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
- (9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
- (10) the name and address of the independent auditor of the pool;
- (11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
- (12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

(c) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity:

- (1) investment transaction confirmations; and
- (2) a monthly report that contains, at a minimum, the following information:
  - (A) the types and percentage breakdown of securities in which the pool is invested;
  - (B) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
  - (C) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
  - (D) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
  - (E) the size of the pool;
  - (F) the number of participants in the pool;
  - (G) the custodian bank that is safekeeping the assets of the pool;
  - (H) a listing of daily transaction activity of the entity participating in the pool;
  - (I) the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
  - (J) the portfolio managers of the pool; and
  - (K) any changes or addenda to the offering circular.

(d) An entity by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

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(e) In this section, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

(f) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.

(g) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed:

(1) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or

(2) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

(h) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

(i) If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.

(j) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.

(k) If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 9, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 7, eff. June 17, 2011.

Sec. 2256.017. EXISTING INVESTMENTS. An entity is not required to liquidate investments that were authorized investments at the time of purchase.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.46(a), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 10, eff. Sept. 1, 1997.

Sec. 2256.019. RATING OF CERTAIN INVESTMENT POOLS. A public funds investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

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Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 11, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 8, eff. June 17, 2011.

Sec. 2256.020. AUTHORIZED INVESTMENTS: INSTITUTIONS OF HIGHER EDUCATION. In addition to the authorized investments permitted by this subchapter, an institution of higher education may purchase, sell, and invest its funds and funds under its control in the following:

(1) cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501(f), Internal Revenue Code of 1986 (26 U.S.C. Section 501(f));

(2) negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency; and

(3) corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.0201. AUTHORIZED INVESTMENTS; MUNICIPAL UTILITY. (a) A municipality that owns a municipal electric utility that is engaged in the distribution and sale of electric energy or natural gas to the public may enter into a hedging contract and related security and insurance agreements in relation to fuel oil, natural gas, coal, nuclear fuel, and electric energy to protect against loss due to price fluctuations. A hedging transaction must comply with the regulations of the Commodity Futures Trading Commission and the Securities and Exchange Commission. If there is a conflict between the municipal charter of the municipality and this chapter, this chapter prevails.

(b) A payment by a municipally owned electric or gas utility under a hedging contract or related agreement in relation to fuel supplies or fuel reserves is a fuel expense, and the utility may credit any amounts it receives under the contract or agreement against fuel expenses.

(c) The governing body of a municipally owned electric or gas utility or the body vested with power to manage and operate the municipally owned electric or gas utility may set policy regarding hedging transactions.

(d) In this section, "hedging" means the buying and selling of fuel oil, natural gas, coal, nuclear fuel, and electric energy futures or options or similar contracts on those commodities and related transportation costs as a protection against loss due to price fluctuation.

Added by Acts 1999, 76th Leg., ch. 405, Sec. 48, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 7 (S.B. 495), Sec. 1, eff. April 13, 2007.

Sec. 2256.0202. AUTHORIZED INVESTMENTS: MUNICIPAL FUNDS FROM MANAGEMENT AND DEVELOPMENT OF MINERAL RIGHTS. (a) In addition to other investments authorized under this subchapter, a municipality may invest funds received by the municipality from a lease or contract for the management and development of land owned by the municipality and leased for oil, gas, or other mineral development in any investment authorized to be made by a trustee under Subtitle B, Title 9, Property Code (Texas Trust Code).

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(b) Funds invested by a municipality under this section shall be segregated and accounted for separately from other funds of the municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1371 (S.B. 894), Sec. 1, eff. September 1, 2009.

Sec. 2256.0203. AUTHORIZED INVESTMENTS: PORTS AND NAVIGATION DISTRICTS. (a) In this section, "district" means a navigation district organized under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(b) In addition to the authorized investments permitted by this subchapter, a port or district may purchase, sell, and invest its funds and funds under its control in negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency.

Added by Acts 2011, 82nd Leg., R.S., Ch. 804 (H.B. 2346), Sec. 1, eff. September 1, 2011.

Sec. 2256.0204. AUTHORIZED INVESTMENTS: INDEPENDENT SCHOOL DISTRICTS. (a) In this section, "corporate bond" means a senior secured debt obligation issued by a domestic business entity and rated not lower than "AA-" or the equivalent by a nationally recognized investment rating firm. The term does not include a debt obligation that:

(1) on conversion, would result in the holder becoming a stockholder or shareholder in the entity, or any affiliate or subsidiary of the entity, that issued the debt obligation; or

(2) is an unsecured debt obligation.

(b) This section applies only to an independent school district that qualifies as an issuer as defined by Section 1371.001.

(c) In addition to authorized investments permitted by this subchapter, an independent school district subject to this section may purchase, sell, and invest its funds and funds under its control in corporate bonds that, at the time of purchase, are rated by a nationally recognized investment rating firm "AA-" or the equivalent and have a stated final maturity that is not later than the third anniversary of the date the corporate bonds were purchased.

(d) An independent school district subject to this section is not authorized by this section to:

(1) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds, reserves, and other funds held for the payment of debt service, in corporate bonds; or

(2) invest more than 25 percent of the funds invested in corporate bonds in any one domestic business entity, including subsidiaries and affiliates of the entity.

(e) An independent school district subject to this section may purchase, sell, and invest its funds and funds under its control in corporate bonds if the governing body of the district:

(1) amends its investment policy to authorize corporate bonds as an eligible investment;

(2) adopts procedures to provide for:

(A) monitoring rating changes in corporate bonds acquired with public funds;

and

(B) liquidating the investment in corporate bonds; and

(3) identifies the funds eligible to be invested in corporate bonds.

(f) The investment officer of an independent school district, acting on behalf of the district, shall sell corporate bonds in which the district has invested its funds not later than the seventh day after the date a nationally recognized investment rating firm:

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(1) issues a release that places the corporate bonds or the domestic business entity that issued the corporate bonds on negative credit watch or the equivalent, if the corporate bonds are rated "AA-" or the equivalent at the time the release is issued; or

(2) changes the rating on the corporate bonds to a rating lower than "AA-" or the equivalent.

(g) Corporate bonds are not an eligible investment for a public funds investment pool.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1347 (S.B. 1543), Sec. 1, eff. June 17, 2011.

Sec. 2256.0205. AUTHORIZED INVESTMENTS; DECOMMISSIONING TRUST. (a) In this section:

(1) "Decommissioning trust" means a trust created to provide the Nuclear Regulatory Commission assurance that funds will be available for decommissioning purposes as required under 10 C.F.R. Part 50 or other similar regulation.

(2) "Funds" includes any money held in a decommissioning trust regardless of whether the money is considered to be public funds under this subchapter.

(b) In addition to other investments authorized under this subchapter, a municipality that owns a municipal electric utility that is engaged in the distribution and sale of electric energy or natural gas to the public may invest funds held in a decommissioning trust in any investment authorized by Subtitle B, Title 9, Property Code.

Added by Acts 2005, 79th Leg., Ch. 121 (S.B. 1464), Sec. 1, eff. September 1, 2005.

Sec. 2256.021. EFFECT OF LOSS OF REQUIRED RATING. An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. An entity shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.022. EXPANSION OF INVESTMENT AUTHORITY. Expansion of investment authority granted by this chapter shall require a risk assessment by the state auditor or performed at the direction of the state auditor, subject to the legislative audit committee's approval of including the review in the audit plan under Section 321.013.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 785, Sec. 42, eff. Sept. 1, 2003.

Sec. 2256.023. INTERNAL MANAGEMENT REPORTS. (a) Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

(b) The report must:

(1) describe in detail the investment position of the entity on the date of the report;

(2) be prepared jointly by all investment officers of the entity;

(3) be signed by each investment officer of the entity;

(4) contain a summary statement of each pooled fund group that states the:

(A) beginning market value for the reporting period;

(B) ending market value for the period; and

(C) fully accrued interest for the reporting period;

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(5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

(6) state the maturity date of each separately invested asset that has a maturity date;

(7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and

(8) state the compliance of the investment portfolio of the state agency or local government as it relates to:

(A) the investment strategy expressed in the agency's or local government's investment policy; and

(B) relevant provisions of this chapter.

(c) The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.

(d) If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 12, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 9, eff. June 17, 2011.

Sec. 2256.024. SUBCHAPTER CUMULATIVE. (a) The authority granted by this subchapter is in addition to that granted by other law. Except as provided by Subsection (b), this subchapter does not:

(1) prohibit an investment specifically authorized by other law; or

(2) authorize an investment specifically prohibited by other law.

(b) Except with respect to those investing entities described in Subsection (c), a security described in Section 2256.009(b) is not an authorized investment for a state agency, a local government, or another investing entity, notwithstanding any other provision of this chapter or other law to the contrary.

(c) Mortgage pass-through certificates and individual mortgage loans that may constitute an investment described in Section 2256.009(b) are authorized investments with respect to the housing bond programs operated by:

(1) the Texas Department of Housing and Community Affairs or a nonprofit corporation created to act on its behalf;

(2) an entity created under Chapter 392, Local Government Code; or

(3) an entity created under Chapter 394, Local Government Code.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.025. SELECTION OF AUTHORIZED BROKERS. The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

Sec. 2256.026. STATUTORY COMPLIANCE. All investments made by entities must comply with this subchapter and all federal, state, and local statutes, rules, or regulations.



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Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

### SUBCHAPTER B. MISCELLANEOUS PROVISIONS

Sec. 2256.051. ELECTRONIC FUNDS TRANSFER. Any local government may use electronic means to transfer or invest all funds collected or controlled by the local government.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.052. PRIVATE AUDITOR. Notwithstanding any other law, a state agency shall employ a private auditor if authorized by the legislative audit committee either on the committee's initiative or on request of the governing body of the agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.053. PAYMENT FOR SECURITIES PURCHASED BY STATE. The comptroller or the disbursing officer of an agency that has the power to invest assets directly may pay for authorized securities purchased from or through a member in good standing of the National Association of Securities Dealers or from or through a national or state bank on receiving an invoice from the seller of the securities showing that the securities have been purchased by the board or agency and that the amount to be paid for the securities is just, due, and unpaid. A purchase of securities may not be made at a price that exceeds the existing market value of the securities.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.67, eff. Sept. 1, 1997.

Sec. 2256.054. DELIVERY OF SECURITIES PURCHASED BY STATE. A security purchased under this chapter may be delivered to the comptroller, a bank, or the board or agency investing its funds. The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book entry procedure of the Federal Reserve Bank.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.68, eff. Sept. 1, 1997.

Sec. 2256.055. DEPOSIT OF SECURITIES PURCHASED BY STATE. At the direction of the comptroller or the agency, a security purchased under this chapter may be deposited in trust with a bank or federal reserve bank or branch designated by the comptroller, whether in or outside the state. The deposit shall be held in the entity's name as evidenced by a trust receipt of the bank with which the securities are deposited.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.69, eff. Sept. 1, 1997.

# **EXHIBIT II**

## **CHAPTER 2257. GOVERNMENT CODE COLLATERAL FOR PUBLIC FUNDS**

# GOVERNMENT CODE CHAPTER 2257. COLLATERAL FOR PUBLIC FUNDS

## GOVERNMENT CODE

### TITLE 10. GENERAL GOVERNMENT

#### SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT

#### CHAPTER 2257. COLLATERAL FOR PUBLIC FUNDS

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2257.001. SHORT TITLE. This chapter may be cited as the Public Funds Collateral Act.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.002. DEFINITIONS. In this chapter:

(1) "Bank holding company" has the meaning assigned by Section 31.002(a), Finance Code.

(2) "Control" has the meaning assigned by Section 31.002(a), Finance Code.

(3) "Deposit of public funds" means public funds of a public entity that:  
(A) the comptroller does not manage under Chapter 404; and  
(B) are held as a demand or time deposit by a depository institution expressly authorized by law to accept a public entity's demand or time deposit.

(4) "Eligible security" means:  
(A) a surety bond;  
(B) an investment security;  
(C) an ownership or beneficial interest in an investment security, other than an option contract to purchase or sell an investment security;  
(D) a fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a high-risk mortgage security;  
(E) a floating-rate collateralized mortgage obligation that does not constitute a high-risk mortgage security; or  
(F) a letter of credit issued by a federal home loan bank.

(5) "Investment security" means:  
(A) an obligation that in the opinion of the attorney general of the United States is a general obligation of the United States and backed by its full faith and credit;  
(B) a general or special obligation issued by a public agency that is payable from taxes, revenues, or a combination of taxes and revenues; or  
(C) a security in which a public entity may invest under Subchapter A, Chapter 2256.

(6) "Permitted institution" means:  
(A) a Federal Reserve Bank;  
(B) a clearing corporation, as defined by Section 8.102, Business & Commerce Code;  
(C) a bank eligible to be a custodian under Section 2257.041; or  
(D) a state or nationally chartered bank that is controlled by a bank holding company that controls a bank eligible to be a custodian under Section 2257.041.

(7) "Public agency" means a state or a political or governmental entity, agency, instrumentality, or subdivision of a state, including a municipality, an institution of higher education, as defined by Section 61.003, Education Code, a junior college, a district created under Article XVI, Section 59, of the Texas Constitution, and a public hospital.

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(8) "Public entity" means a public agency in this state, but does not include an institution of higher education, as defined by Section 61.003, Education Code.

(9) "State agency" means a public entity that:

(A) has authority that is not limited to a geographic portion of the state; and

(B) was created by the constitution or a statute.

(10) "Trust receipt" means evidence of receipt, identification, and recording, including:

(A) a physical controlled trust receipt; or

(B) a written or electronically transmitted advice of transaction.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.48(a), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 914, Sec. 5, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 254, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 891, Sec. 3.22(4), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1423, Sec. 8.70, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 7.63, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 783 (H.B. 2103), Sec. 1, eff. June 17, 2011.

Sec. 2257.0025. HIGH-RISK MORTGAGE SECURITY. (a) For purposes of this chapter, a fixed-rate collateralized mortgage obligation is a high-risk mortgage security if the security:

(1) has an average life sensitivity with a weighted average life that:

(A) extends by more than four years, assuming an immediate and sustained parallel shift in the yield curve of plus 300 basis points; or

(B) shortens by more than six years, assuming an immediate and sustained parallel shift in the yield curve of minus 300 basis points; and

(2) is price sensitive; that is, the estimated change in the price of the mortgage derivative product is more than 17 percent, because of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

(b) For purposes of this chapter, a floating-rate collateralized mortgage obligation is a high-risk mortgage security if the security:

(1) bears an interest rate that is equal to the contractual cap on the instrument;

or

(2) is price sensitive; that is, the estimated change in the price of the mortgage derivative product is more than 17 percent, because of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

Added by Acts 1997, 75th Leg., ch. 254, Sec. 2, eff. Sept. 1, 1997.

Sec. 2257.003. CHAPTER NOT APPLICABLE TO DEFERRED COMPENSATION PLANS. This chapter does not apply to funds that a public entity maintains or administers under a deferred compensation plan, the federal income tax treatment of which is governed by Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Sections 401(k) and 457).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.004. CONFLICT WITH OTHER LAW. This chapter prevails over any other law relating to security for a deposit of public funds to the extent of any conflict.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

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Sec. 2257.005. CONTRACT GOVERNS LEGAL ACTION. A legal action brought by or against a public entity that arises out of or in connection with the duties of a depository, custodian, or permitted institution under this chapter must be brought and maintained as provided by the contract with the public entity.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

### SUBCHAPTER B. DEPOSITORY; SECURITY FOR DEPOSIT OF PUBLIC FUNDS

Sec. 2257.021. COLLATERAL REQUIRED. A deposit of public funds shall be secured by eligible security to the extent and in the manner required by this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.022. AMOUNT OF COLLATERAL. (a) Except as provided by Subsection (b), the total value of eligible security to secure a deposit of public funds must be in an amount not less than the amount of the deposit of public funds:

- (1) increased by the amount of any accrued interest; and
- (2) reduced to the extent that the United States or an instrumentality of the United States insures the deposit.

(b) The total value of eligible security described by Section 45.201(4)(D), Education Code, to secure a deposit of public funds of a school district must be in an amount not less than 110 percent of the amount of the deposit as determined under Subsection (a). The total market value of the eligible security must be reported at least once each month to the school district.

(c) The value of a surety bond is its face value.

(d) The value of an investment security is its market value.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 2003, 78th Leg., ch. 201, Sec. 46, eff. Sept. 1, 2003.

Sec. 2257.023. COLLATERAL POLICY. (a) In accordance with a written policy approved by the governing body of the public entity, a public entity shall determine if an investment security is eligible to secure deposits of public funds.

(b) The written policy may include:

- (1) the security of the institution that obtains or holds an investment security;
- (2) the substitution or release of an investment security; and
- (3) the method by which an investment security used to secure a deposit of public funds is valued.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.024. CONTRACT FOR SECURING DEPOSIT OF PUBLIC FUNDS. (a) A public entity may contract with a bank that has its main office or a branch office in this state to secure a deposit of public funds.

(b) The contract may contain a term or condition relating to an investment security used as security for a deposit of public funds, including a term or condition relating to the:

- (1) possession of the collateral;
- (2) substitution or release of an investment security;
- (3) ownership of the investment securities of the bank used to secure a deposit of public funds; and

## GOVERNMENT CODE CHAPTER 2257. COLLATERAL FOR PUBLIC FUNDS

(4) method by which an investment security used to secure a deposit of public funds is valued.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1999, 76th Leg., ch. 344, Sec. 5.006, eff. Sept. 1, 1999.

Sec. 2257.025. RECORDS OF DEPOSITORY. (a) A public entity's depository shall maintain a separate, accurate, and complete record relating to a pledged investment security, a deposit of public funds, and a transaction related to a pledged investment security.

(b) The comptroller or the public entity may examine and verify at any reasonable time a pledged investment security or a record a depository maintains under this section.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.16, eff. Sept. 1, 1997.

Sec. 2257.026. CHANGE IN AMOUNT OR ACTIVITY OF DEPOSITS OF PUBLIC FUNDS. A public entity shall inform the depository for the public entity's deposit of public funds of a significant change in the amount or activity of those deposits within a reasonable time before the change occurs.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

### SUBCHAPTER C. CUSTODIAN; PERMITTED INSTITUTION

Sec. 2257.041. DEPOSIT OF SECURITIES WITH CUSTODIAN. (a) In addition to other authority granted by law, a depository for a public entity other than a state agency may deposit with a custodian a security pledged to secure a deposit of public funds.

(b) At the request of the public entity, a depository for a public entity other than a state agency shall deposit with a custodian a security pledged to secure a deposit of public funds.

(c) A depository for a state agency shall deposit with a custodian a security pledged to secure a deposit of public funds. The custodian and the state agency shall agree in writing on the terms and conditions for securing a deposit of public funds.

(d) A custodian must be approved by the public entity and be:

(1) a state or national bank that:

(A) is designated by the comptroller as a state depository;

(B) has its main office or a branch office in this state; and

(C) has a capital stock and permanent surplus of \$5 million or more;

(2) the Texas Treasury Safekeeping Trust Company;

(3) a Federal Reserve Bank or a branch of a Federal Reserve Bank;

(4) a federal home loan bank; or

(5) a financial institution authorized to exercise fiduciary powers that is designated by the comptroller as a custodian pursuant to Section 404.031(e).

(e) A custodian holds in trust the securities to secure the deposit of public funds of the public entity in the depository pledging the securities.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1995, 74th Leg., ch. 1010, Sec. 1, eff. June 17, 1995; Acts 1997, 75th Leg., ch. 891, Sec. 3.17, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 344, Sec. 5.007, eff. Sept. 1, 1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 3, eff. September 1, 2009.

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Sec. 2257.042. DEPOSIT OF SECURITIES WITH PERMITTED INSTITUTION. (a) A custodian may deposit with a permitted institution an investment security the custodian holds under Section 2257.041.

(b) If a deposit is made under Subsection (a):

(1) the permitted institution shall hold the investment security to secure funds the public entity deposits in the depository that pledges the investment security;

(2) the trust receipt the custodian issues under Section 2257.045 shall show that the custodian has deposited the security in a permitted institution; and

(3) the permitted institution, on receipt of the investment security, shall immediately issue to the custodian an advice of transaction or other document that is evidence that the custodian deposited the security in the permitted institution.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.043. DEPOSITORY AS CUSTODIAN OR PERMITTED INSTITUTION. (a) A public entity other than a state agency may prohibit a depository or an entity of which the depository is a branch from being the custodian of or permitted institution for a security the depository pledges to secure a deposit of public funds.

(b) A depository or an entity of which the depository is a branch may not be the custodian of or permitted institution for a security the depository pledges to secure a deposit of public funds by a state agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.044. CUSTODIAN AS BAILEE. (a) A custodian under this chapter or a custodian of a security pledged to an institution of higher education, as defined by Section 61.003, Education Code, whether acting alone or through a permitted institution, is for all purposes the bailee or agent of the public entity or institution depositing the public funds with the depository.

(b) To the extent of any conflict, Subsection (a) prevails over Chapter 8 or 9, Business & Commerce Code.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.045. RECEIPT OF SECURITY BY CUSTODIAN. (a) On receipt of an investment security, a custodian shall immediately identify on its books and records, by book entry or another method, the pledge of the security to the public entity.

(b) For a deposit of public funds under Subchapter F, the custodian shall issue and deliver to the comptroller a trust receipt for the pledged security.

(c) For any other deposit of public funds under this chapter, at the written direction of the appropriate public entity officer, the custodian shall:

(1) issue and deliver to the appropriate public entity officer a trust receipt for the pledged security; or

(2) issue and deliver a trust receipt for the pledged security to the public entity's depository and instruct the depository to deliver the trust receipt to the public entity officer immediately.

(d) The custodian shall issue and deliver the trust receipt as soon as practicable on the same business day on which the investment security is received.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 434 (S.B. 581), Sec. 1, eff. June 14, 2013.

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Sec. 2257.046. BOOKS AND RECORDS OF CUSTODIAN; INSPECTION. (a) A public entity's custodian shall maintain a separate, accurate, and complete record relating to each pledged investment security and each transaction relating to a pledged investment security.

(b) The comptroller or the public entity may examine and verify at any reasonable time a pledged investment security or a record a custodian maintains under this section. The public entity or its agent may inspect at any time an investment security evidenced by a trust receipt.

(c) The public entity's custodian shall file a collateral report with the comptroller in the manner and on the dates prescribed by the comptroller.

(d) At the request of the appropriate public entity officer, the public entity's custodian shall provide a current list of all pledged investment securities. The list must include, for each pledged investment security:

- (1) the name of the public entity;
- (2) the date the security was pledged to secure the public entity's deposit;
- (3) the Committee on Uniform Security Identification Procedures (CUSIP) number of the security;
- (4) the face value and maturity date of the security; and
- (5) the confirmation number on the trust receipt issued by the custodian.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.18, eff. Sept. 1, 1997.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 434 (S.B. 581), Sec. 2, eff. June 14, 2013.

Sec. 2257.047. BOOKS AND RECORDS OF PERMITTED INSTITUTION. (a) A permitted institution may apply book entry procedures when an investment security held by a custodian is deposited under Section 2257.042.

(b) A permitted institution's records must at all times state the name of the custodian that deposits an investment security in the permitted institution.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.048. ATTACHMENT AND PERFECTION OF SECURITY INTEREST. (a) A security interest that arises out of a depository's pledge of a security to secure a deposit of public funds by a public entity or an institution of higher education, as defined by Section 61.003, Education Code, is created, attaches, and is perfected for all purposes under state law from the time that the custodian identifies the pledge of the security on the custodian's books and records and issues the trust receipt.

(b) A security interest in a pledged security remains perfected in the hands of a subsequent custodian or permitted institution.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

### SUBCHAPTER D. AUDITS AND EXAMINATIONS; PENALTIES

Sec. 2257.061. AUDITS AND EXAMINATIONS. As part of an audit or regulatory examination of a public entity's depository or custodian, the auditor or examiner shall:

- (1) examine and verify pledged investment securities and records maintained under Section 2257.025 or 2257.046; and
- (2) report any significant or material noncompliance with this chapter to the comptroller.



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Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

Sec. 2257.062. PENALTIES. (a) The comptroller may revoke a depository's designation as a state depository for one year if, after notice and a hearing, the comptroller makes a written finding that the depository, while acting as either a depository or a custodian:

(1) did not maintain reasonable compliance with this chapter; and  
(2) failed to remedy a violation of this chapter within a reasonable time after receiving written notice of the violation.

(b) The comptroller may permanently revoke a depository's designation as a state depository if the comptroller makes a written finding that the depository:

(1) has not maintained reasonable compliance with this chapter; and  
(2) has acted in bad faith by not remedying a violation of this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

Sec. 2257.063. MITIGATING CIRCUMSTANCES. (a) The comptroller shall consider the total circumstances relating to the performance of a depository or custodian when the comptroller makes a finding required by Section 2257.062, including the extent to which the noncompliance is minor, isolated, temporary, or nonrecurrent.

(b) The comptroller may not find that a depository or custodian did not maintain reasonable compliance with this chapter if the noncompliance results from the public entity's failure to comply with Section 2257.026.

(c) This section does not relieve a depository or custodian of the obligation to secure a deposit of public funds with eligible security in the amount and manner required by this chapter within a reasonable time after the public entity deposits the deposit of public funds with the depository.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

Sec. 2257.064. REINSTATEMENT. The comptroller may reinstate a depository's designation as a state depository if:

(1) the comptroller determines that the depository has remedied all violations of this chapter; and

(2) the depository assures the comptroller to the comptroller's satisfaction that the depository will maintain reasonable compliance with this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

### SUBCHAPTER E. EXEMPT INSTITUTIONS

Sec. 2257.081. DEFINITION. In this subchapter, "exempt institution" means:

(1) a public retirement system, as defined by Section 802.001; or  
(2) the permanent school fund, as described by Section 43.001, Education Code.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 6.31, eff. Sept. 1, 1997.

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Sec. 2257.082. FUNDS OF EXEMPT INSTITUTION. An exempt institution is not required to have its funds fully insured or collateralized at all times if:

- (1) the funds are held by:
  - (A) a custodian of the institution's assets under a trust agreement; or
  - (B) a person in connection with a transaction related to an investment; and
- (2) the governing body of the institution, in exercising its fiduciary responsibility, determines that the institution is adequately protected by using a trust agreement, special deposit, surety bond, substantial deposit insurance, or other method an exempt institution commonly uses to protect itself from liability.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.083. INVESTMENT; SELECTION OF DEPOSITORY. This chapter does not:

- (1) prohibit an exempt institution from prudently investing in a certificate of deposit; or
- (2) restrict the selection of a depository by the governing body of an exempt institution in accordance with its fiduciary duty.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

### SUBCHAPTER F. POOLED COLLATERAL TO SECURE

#### DEPOSITS OF CERTAIN PUBLIC FUNDS

Sec. 2257.101. DEFINITION. In this subchapter, "participating institution" means a financial institution that holds one or more deposits of public funds and that participates in the pooled collateral program under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.102. POOLED COLLATERAL PROGRAM. (a) As an alternative to collateralization under Subchapter B, the comptroller by rule shall establish a program for centralized pooled collateralization of deposits of public funds and for monitoring collateral maintained by participating institutions. The rules must provide that deposits of public funds of a county are not eligible for collateralization under the program. The comptroller shall provide for a separate collateral pool for any single participating institution's deposits of public funds.

(b) Under the pooled collateral program, the collateral of a participating institution pledged for a public deposit may not be combined with, cross-collateralized with, aggregated with, or pledged to another participating institution's collateral pools for pledging purposes.

(c) A participating institution may pledge its pooled securities to more than one participating depositor under contract with that participating institution.

(d) The pooled collateral program must provide for:

- (1) participation in the program by a participating institution and each affected public entity to be voluntary;
- (2) uniform procedures for processing all collateral transactions that are subject to an approved security agreement described by Section 2257.103; and
- (3) the pledging of a participating institution's collateral securities using a single custodial account instead of an account for each depositor of public funds.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

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Sec. 2257.103. PARTICIPATION IN POOLED COLLATERAL PROGRAM. A financial institution may participate in the pooled collateral program only if:

- (1) the institution has entered into a binding collateral security agreement with a public agency for a deposit of public funds and the agreement permits the institution's participation in the program;
- (2) the comptroller has approved the institution's participation in the program; and
- (3) the comptroller has approved or provided the collateral security agreement form used.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.104. COLLATERAL REQUIRED; CUSTODIAN TRUSTEE. (a) Each participating institution shall secure its deposits of public funds with eligible securities the total value of which equals at least 102 percent of the amount of the deposits of public funds covered by a security agreement described by Section 2257.103 and deposited with the participating institution, reduced to the extent that the United States or an instrumentality of the United States insures the deposits. For purposes of determining whether collateral is sufficient to secure a deposit of public funds, Section 2257.022(b) does not apply to a deposit of public funds held by the participating institution and collateralized under this subchapter.

(b) A participating institution shall provide for the collateral securities to be held by a custodian trustee, on behalf of the participating institution, in trust for the benefit of the pooled collateral program. A custodian trustee must qualify as a custodian under Section 2257.041.

(c) The comptroller by rule shall regulate a custodian trustee under the pooled collateral program in the manner provided by Subchapter C to the extent practicable. The rules must ensure that a custodian trustee depository does not own, is not owned by, and is independent of the financial institution or institutions for which it holds the securities in trust, except that the rules must allow the following to be a custodian trustee:

- (1) a federal reserve bank;
- (2) a banker's bank, as defined by Section 34.105, Finance Code; and
- (3) a federal home loan bank.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.105. MONITORING COLLATERAL. (a) Each participating institution shall file the following reports with the comptroller electronically and as prescribed by rules of the comptroller:

- (1) a daily report of the aggregate ledger balance of deposits of public agencies participating in the pooled collateral program that are held by the institution, with each public entity's funds held itemized;
- (2) a weekly summary report of the total market value of securities held by a custodian trustee on behalf of the participating institution;
- (3) a monthly report listing the collateral securities held by a custodian trustee on behalf of the participating institution, together with the value of the securities; and
- (4) as applicable, a participating institution's annual report that includes the participating institution's financial statements.

(b) The comptroller shall provide the participating institution an acknowledgment of each report received.

(c) The comptroller shall provide a daily report of the market value of the securities held in each pool.

(d) The comptroller shall post each report on the comptroller's Internet website.

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Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.106. ANNUAL ASSESSMENT. (a) Once each state fiscal year, the comptroller shall impose against each participating institution an assessment in an amount sufficient to pay the costs of administering this subchapter. The amount of an assessment must be based on factors that include the number of public entity accounts a participating institution maintains, the number of transactions a participating institution conducts, and the aggregate average weekly deposit amounts during that state fiscal year of each participating institution's deposits of public funds collateralized under this subchapter. The comptroller by rule shall establish the formula for determining the amount of the assessments imposed under this subsection.

(b) The comptroller shall provide to each participating institution a notice of the amount of the assessment against the institution.

(c) A participating institution shall remit to the comptroller the amount assessed against it under this section not later than the 45th day after the date the institution receives the notice under Subsection (b).

(d) Money remitted to the comptroller under this section may be appropriated only for the purposes of administering this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.107. PENALTY FOR REPORTING VIOLATION. The comptroller may impose an administrative penalty against a participating institution that does not timely file a report required by Section 2257.105.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.108. NOTICE OF COLLATERAL VIOLATION; ADMINISTRATIVE PENALTY. (a) The comptroller may issue a notice to a participating institution that the institution appears to be in violation of collateral requirements under Section 2257.104 and rules of the comptroller.

(b) The comptroller may impose an administrative penalty against a participating institution that does not maintain collateral in an amount and in the manner required by Section 2257.104 and rules of the comptroller if the participating institution has not remedied the violation before the third business day after the date a notice is issued under Subsection (a).

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.109. PENALTY FOR FAILURE TO PAY ASSESSMENT. The comptroller may impose an administrative penalty against a participating institution that does not pay an assessment against it in the time provided by Section 2257.106(c).

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.110. PENALTY AMOUNT; PENALTIES NOT EXCLUSIVE. (a) The comptroller by rule shall adopt a formula for determining the amount of a penalty under this subchapter. For each violation and for each day of a continuing violation, a penalty must be at least \$100 per day and not more than \$1,000 per day. The penalty must be based on factors that include:

(1) the aggregate average weekly deposit amounts during the state fiscal year of the institution's deposits of public funds;

(2) the number of violations by the institution during the state fiscal year;

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(3) the number of days of a continuing violation; and

(4) the average asset base of the institution as reported on the institution's year-end report of condition."

(b) The penalties provided by Sections 2257.107-2257.109 are in addition to those provided by Subchapter D or other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.111. PENALTY PROCEEDING CONTESTED CASE. A proceeding to impose a penalty under Section 2257.107, 2257.108, or 2257.109 is a contested case under Chapter 2001.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.112. SUIT TO COLLECT PENALTY. The attorney general may sue to collect a penalty imposed under Section 2257.107, 2257.108, or 2257.109.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.113. ENFORCEMENT STAYED PENDING REVIEW. Enforcement of a penalty imposed under Section 2257.107, 2257.108, or 2257.109 may be stayed during the time the order is under judicial review if the participating institution pays the penalty to the clerk of the court or files a supersedeas bond with the court in the amount of the penalty. A participating institution that cannot afford to pay the penalty or file the bond may stay the enforcement by filing an affidavit in the manner required by the Texas Rules of Civil Procedure for a party who cannot afford to file security for costs, subject to the right of the comptroller to contest the affidavit as provided by those rules.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Sec. 2257.114. USE OF COLLECTED PENALTIES. Money collected as penalties under this subchapter may be appropriated only for the purposes of administering this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 486 (S.B. 638), Sec. 1, eff. September 1, 2009.

Total Analysis of Bank Accounts (January 2019)

Account Ending In:	ACH Deposit Count	ACH Deposit Amount	ACH PYMT Count	ACH PYMT Amount	ACH PYMT	ACH	Analysis Change	Cashed Checks Count	Cashed Checks Amount	Check Reversal Count	Check Reversal Amount	Deposit Count	Deposit Amount	Interest from Other Accts.	Transfer Deposit Count	Transfer Deposit Amount	Transfer Withdrawal Count	Transfer Withdrawal Amount	Wire Count	Wire Amount
4173		\$ 565.06	11	\$ 1,237,761.96								21	\$ 1,699,818.95		1	\$ 2,042.62				
4238		\$ 98.05										1	\$ 5,291.68		2	\$ 15,948.01				
4262		\$ 793.62	6	\$ 43,638.43																
4300																				
4343		\$ 24.29																		
8433		\$ 1,619.45																		
0019		\$ 63,929.50	44	\$ 63,929.50																
1110		\$ 22,878.23										78	\$ 39,273,883.92		118	\$ 42,934,518.21				
2857		\$ 258.99													1	\$ 9,948.93				
3244		\$ 80.09	33	\$ 354,257.73				32	\$ 258,698.23											
3260		\$ 242.52	23	\$ 317,210.05	2	\$ 2,977.58		17	\$ 307,155.95											
3279		\$ 43.37										1	\$ 1.83		11	\$ 20,381.66				
3287		\$ 33.67						1	\$ 2,857.50						4	\$ 4,915.00				
3295		\$ 124.79						5	\$ 147.54						11	\$ 172,904.67				
3309		\$ 6.97						1	\$ 15,239.33						10	\$ 25,703.18				
3317		\$ 7.44						4	\$ 46,195.69						10	\$ 63,798.92				
3325		\$ 972.45													9	\$ 138,811.30				
3333		\$ 628.23													10	\$ 2,254,521.99				
3341		\$ 2,766.04						95	\$ 15,209.13						13	\$ 17,833,790.77				
3348		\$ 836.92	52	\$ 278,788.73	19	\$ 1,533,417.46		37	\$ 232,873.46						11	\$ 1,529,805.98				
4404		\$ 18,946.44	283	\$ 3,757,335.96	34	\$ 8,765,355.15	\$ 6,517.33	1,062	\$ 3,883,645.34	3	\$ 139.96	635	\$ 1,103,416.02	\$ 2,442.24	40	\$ 19,680,085.84	13	\$ 3,981,024.11	7	\$ 1,172,973.26
4412		\$ 3,771.60	3	\$ 1,035.24	2	\$ 3,821,143.53		11	\$ 4,616.10						6	\$ 3,826,385.87	3	\$ 1,162.43		
4420		\$ 3,771.60													14	\$ 1,910,062.51	1	\$ 6,416.21	3	\$ 3,547,269.00
4471		\$ 633.03													3	\$ 281.77				
4498		\$ 5,741.37						15	\$ 1,198,508.53						22	\$ 1,785,477.01				
4519		\$ 1,179.37						2	\$ 95,044.94						3	\$ 30,114.72				
4584		\$ 1.90						72	\$ 29,590.39						2	\$ 29,637.89	2	\$ 194,785.28		
4594		\$ 1.31						25	\$ 1,325.00						1	\$ 100.00	2	\$ 2,418.86		
4607		\$ 0.19						198	\$ 3,667.00											
4623		\$ 0.32																		
4631		\$ 276.78																		
4658		\$ 27.26						1	\$ 7.50											
4674		\$ 0.01																		
4690		\$ 0.01																		
4703		\$ 88,060.99																		
4711		\$ 40	\$ 88,060.99					194	\$ 247,316.70			42	\$ 153,893.32							
4738		\$ 1.05						60	\$ 263,202.36			7	\$ 142,265.45							
4943		\$ 3,571.47																		
4949		\$ 2.51						54	\$ 2,084,949.74			5	\$ 72,157.75							
4951		\$ 458.69													1	\$ 7,500.00				
4957		\$ 3,520.69						2	\$ 1,748.17											
4965		\$ 606.99						7	\$ 3,520.69			2	\$ 1,722.35							
4981		\$ 72,207.43						14	\$ 5,107.33			4	\$ 3,007.84							
5001		\$ 70,123.50						7	\$ 72,207.43			3	\$ 1,637.00							
5028		\$ 30.00						302	\$ 70,123.50			23	\$ 81,416.56							
5044		\$ 105.80						2	\$ 2,370.73			9	\$ 4,607.92							
7555		\$ 846.06						1	\$ 2,155.76			14	\$ 13,173.10							
7590		\$ 100.18																		
7741		\$ 4,933,572.81						1	\$ 4,232.31											
7927		\$ 461.00																		
7935		\$ 57.49						66	\$ 20,188.74											
2671		\$ 544.42										2	\$ 15,854.69							
8417		\$ 49,215,126.35																		
4700		\$ 178	\$ 49,215,126.35																	
4788		\$ 178	\$ 49,215,126.35																	
4796		\$ 178	\$ 49,215,126.35																	
4853		\$ 178	\$ 49,215,126.35																	
7350		\$ 178	\$ 49,215,126.35																	
TOTALS:		\$ 68,249.82	536	\$ 4,933,572.81	83	\$ 17,042,283.63	\$ 6,574.82	2,245	\$ 7,582,794.31	3	\$ 139.96	900	\$ 42,260,713.89	\$ 2,442.24	178	\$ 49,215,126.35	178	\$ 49,215,126.35	11	\$ 21,172,552.97