



HMB BUILDS WEB BASED SYSTEM FOR A PUBLIC SECTOR CUSTOMER

New web system built to administer a newly created application in that increases efficiency and reduces costs in securing financial transactions.

The Challenge:

Our customer requires that financial institutions (FIs) maintain a pledge of securities as collateral, for all deposits made by public entities. This collateral must have a market value greater than the public deposits. House Bill 64 established the option for rule based collateral requirements, which requires daily monitoring. Our customer is the regulator and monitor of the program.

Our customer ensures that the securities pledged as collateral have a market value in excess of deposited funds less the applicable FDIC coverage limits, and that all necessary steps are taken to ensure Public Units (PUs) have a security interest in collateral pledged by FIs. This will safeguard deposits of public funds, allow greater efficiency, and reduce costs to both PUs and FIs.

The Client

Our customer is an agency in the State of Ohio.

The Solution:

Our customer partnered with HMB to build a new web solution that was completed within its projected eight month timeline. The web solution provides efficient and transparent reporting of public deposits and corresponding collateral. Here's how it works:

- 1 Financial Institutions report the amount of public deposits daily via a secure file transfer to our customer.
- 2 Our customer receives the collateral detail from Collateral Trustees and prices the collateral daily.
- 3 Each business day, the system compares the total market value of collateral pledged by a Financial Institution to the uninsured public deposits.

The Results:

- Centralized collateral monitoring saves local governments time and money by shifting the administrative burden for managing pledged collateral to our customer.
- Streamlined processing and management of pledged collateral provides administrative benefits for Financial Institutions.
- Guards against fraud by enabling our customer to have visibility of all pledged collateral compared to the total amount of public deposits at a Financial Institution.
- Reducing the collateral requirements allows the financial institutions to offer higher interest rates to local governments.