



City & County of San Francisco Safe, Sound and Local Program

The following is a description of the major features of the Safe, Sound and Local Program as a reference for interested financial institutions. It is not a complete or binding description of the program.

Program Objectives

- The City & County of San Francisco Treasurer-Tax Collector has established a Program to place time deposits up to \$80 million of the County's Pooled Investment Fund with community and regional banks, credit unions and community development financial institutions (CDFIs) located in San Francisco that have a commitment to further investment into the San Francisco communities they serve.
- The goal is to establish long-term working relationships with financial institutions that can ensure those institutions of continued funding for their local lending.

Eligible Institutions

- Banks and credit unions, and community development financial institutions (CDFI's) that make loans located within the boundaries of the City & County.
- Participating institutions need to have a physical office in the County.
- Eligible participants must be a member of the Federal Home Loan Bank of San Francisco.
- By state law, banks must have a CRA rating of satisfactory or better.
- The Treasurer will place deposits with those financial institutions he assesses will be able to meet the Program's goals, while also satisfying the County's primary goals of safety, liquidity and yield.

Rate and Term

- The County will invest time deposits with eligible and qualified Financial Institutions for maturities for 3 months and 6 months.
- The interest rate will be equal to the 3 or 6 month US Treasury Bill yield plus a spread as determined by the City & County. The rate will reflect the yield of a comparable Government Agency discount note of the same maturity.
- The interest paid by the Financial Institution shall be calculated for the exact number of in the period on a 360-day basis paid at maturity.
- Maturity dates for the time deposit must occur on a good business day.
- Maturities for time deposits do not automatically roll. A staff member in the Investment Department will contact the Financial Institution with the new interest rate for a new 3 month or 6 month deposit to determine the desire to continue participation in the program.



Security for the County’s Deposits

- Deposits must be fully collateralized, pursuant to state law, with an irrevocable letter of credit from the Federal Home Loan Bank of San Francisco that is in place two business days after the maturity of the deposit.
- A copy of the irrevocable letter of credit from the FHLB of San Francisco must be forwarded to the Investment Department prior to initial or subsequent investment into a deposit with the Financial Institution.

Pre-Qualification

- Before a financial institution can participate in the Program, it must submit to the Investment Department of the Treasurer-Tax Collector the information specified in the CCSF Time Deposit Application and Process form.
- The Applicant must also complete the Time Deposit Information Form.

Acknowledged:

(Financial Institution)

By _____
Name
Title