

WEST VIRGINIA STATE TREASURER'S OFFICE



REQUEST FOR QUOTATION NO. BT1170000011

for

**WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
INTEREST BEARING DEPOSIT ACCOUNT**

ADDENDUM NO. 1

RESPONSES TO VENDOR QUESTIONS

UNITED BANK QUESTION:

1. Section 3.3 Scope of Services, Item 3.3.3 – Vendor must collateralize account balances in excess of FDIC insurance limits in accordance with STO's Collateral Policy and Procedures (See Attachment 8). Attachment 8, Collateral Policy and Procedures, includes, "The STO reviews all collateral requests from approved state depositories. Any requests will be approved by the STO in accordance with West Virginia Code §12-1-4 and §12-1-5.

Please confirm that approval by the STO will be governed by West Virginia Code §12-1-4 and §12-1-5.

Response: Yes, approval of collateral requests from approved state depositories is governed by West Virginia Code §12-1-4 and §12-1-5. Approval of all collateral is at the discretion of the State Treasurer's Office.

WELLS FARGO QUESTIONS:

Collateral Policy and Procedures

1. Under Section II of the Procedures beginning on page 3 and continuing on page 4, regarding the Types of Acceptable Collateral, #6. Will the State Treasurer approve the following securities as eligible collateral?
 - FNMA & FHLMC mortgage back securities;
 - Bonds of other US States and/or municipalities, including their general obligation bonds and revenue bonds?

Response: The STO accepts FNMA and FHLMC securities if they are 100% guaranteed by the Federal Government. Bonds of the State of West Virginia or any

county, district or municipality of this state with a rating of “Aa2” or better may be accepted. Bonds of other US States and/or municipalities will be reviewed, but there is no guarantee these securities will be approved. All securities are approved at the discretion of the State Treasurer. Please see pages 3 and 4 of the Collateral Policy and Procedures.

2. Will WVBTI/State Treasurer’s Office accept an alternate Safekeeping Agent other than the current Safekeeping Agent, BBT? Wells Fargo has a tri-party agreement we utilize for our national government practice in collateralizing public deposits. That standard tri-party agreement is attached for your review and consideration. Certain aspects of this agreement can be modified to accommodate WV Collateral Policy and Procedures, e.g. 102% versus 100%.

Response: No. All collateral must be held with the Safekeeping Agent selected by the State Treasurer’s Office, currently BB&T.

WESBANCO QUESTION:

1. While the bid has referenced a spread based off a LIBOR rate index, can another rate be quoted that is similar to LIBOR, such as Fed Funds or T-bills?

Response: No. The Vendor must pay interest on deposits using a variable rate equal to the 1-month LIBOR as published in the Wall Street Journal. The spread bid may be positive or negative.