

does not encompass the provisions derived from former § 21(a). However, since former § 21(a) imposed the requirements for gubernatorial approval of a depository and for collateral, its inclusion within the former reference to "this section" seemed to be inadvertent.

Similarly, the substituted language does not encompass the provisions of former § 21(c) -- i.e., the provision that grants the exception, since necessarily that provision applies.

The Commission notes, however, that, notwithstanding the substitution of the narrower cross-reference, former § 21(c) -- and the revision in subsection (c) of this section -- relieves a financial institution of the necessity to submit a certification if a parent corporation or affiliate has made a loan without participation of the institution. The General Assembly may wish to clarify whether the financial institution need not submit the certification or need not consider, for purposes of its certification, the loans in which the institution does not participate.

The Commission further notes that subsection (c) does not address loans that a subsidiary makes without participation of a parent financial institution.

The only other changes are in style.

Defined term: "Financial institution" § 6-201

#### 6-209. DEPOSIT INSURANCE AND COLLATERAL.

##### (A) REQUIRED.

STATE MONEY ON DEPOSIT WITH A FINANCIAL INSTITUTION SHALL BE SECURED BY:

- (1) DEPOSIT INSURANCE; OR
- (2) COLLATERAL AS REQUIRED BY THIS SECTION.

##### (B) FORM AND AMOUNT OF COLLATERAL.

(1) THE COLLATERAL FOR STATE MONEY ON DEPOSIT WITH A FINANCIAL INSTITUTION:

(I) MUST HAVE, AT ALL TIMES, A MARKET VALUE THAT EQUALS OR EXCEEDS THE STATE MONEY THAT IS ON DEPOSIT WITH THE FINANCIAL INSTITUTION AND IS NOT COVERED BY DEPOSIT INSURANCE;

(II) MUST BE APPROVED BY THE TREASURER; AND