Colleen C. Davis
State Treasurer

Tel: 302.672.6700
Fax: 302.739.2274

MEMORANDUM

To: The Banking Subcommittee (BSC) of the Cash Management Policy Board (Board)
From: Colleen C. Davis, Treasurer for the State of Delaware
CC: Brennon Fountain, Deputy Treasurer, Jason Staib, Deputy Attorney General, Fiah M. Kwesseu, Director of Operations & Fund Management
Date: March 6, 2026
RE: Collateralization of State Deposits – January 31, 2026

Purpose

At the February 11, 2026, Banking Subcommittee meeting, members requested a clearer view of how State deposits are protected, specifically the total level of collateral and its composition across Letters of Credit (LOC) and pledged securities.

This memorandum responds to that request by providing a point-in-time snapshot as of January 31, 2026, and by outlining the collateral framework in place across all participating depository institutions.

Collateral Policy

Pursuant to 29 Del. C. § 2716(a)(1) and Cash Management Policy Board guidelines, all uninsured State deposits are secured at a minimum of 100% collateralization. OST requires overcollateralization of 2% under its contracts with the banking partners.
As of January 31, 2026, all uninsured deposits were secured at or above 102%.

Delaware Treasury Collateralization Summary

Uninsured State deposits are secured with the following collateralization instruments as of January 31st, 2026, in the following ways:

Total Deposits $676M

JPMC had 83.8% of the total deposits ($567M) secured via $500 million Federal Home Loan Bank LOC, plus securities pledged at the Federal Reserve, for a total collateralization level of 104%.
M&T had 13.4% of the total deposits ($90M) secured via a $140 million Federal Home Loan Bank LOC with a collateralization level of 155%. M&T also has a Tri-Party arrangement with BNYM that is not being utilized.
Citizens had 1.4% of the total deposits ($9.5M) secured via Tri-Party arrangement with a collateralization level of 102% (securities pledged with BNYM).
TD Bank has 1.2% of the total deposits ($8.1M) secured via a $13 million Federal Home Loan Bank LOC with a collateralization level of 164%.
The State's custodian, Northern Trust, collateralizes funds that are held pending investment through a direct Fed Reserve pledge, and BofA had .173% of the total deposits ($1.1M) secured via Tri-Party arrangement with a collateralization level of 214%. (securities pledged with BNYM).