

781—13.5(12C) Requirements for becoming an approved custodian.

13.5(1) An approved custodian shall complete, sign, and submit to the treasurer an executed Master Custodial Agreement for the Deposit of Public Funds in Banks.

13.5(2) To become an approved custodian, a financial institution chartered outside the state of Iowa must submit a legal opinion acceptable to the treasurer prepared by counsel licensed to practice in the state in which the financial institution is principally located regarding the compatibility of Iowa Code chapter 554 with the uniform commercial code of the state in which the financial institution is principally located.

13.5(3) To be designated as an approved custodian, a financial institution must be capable of maintaining book-entry accounts with a Federal Reserve Bank and must be capable of safekeeping eligible collateral.

13.5(4) An approved custodian shall not hold pledged collateral for any pledging bank in which the approved custodian or an affiliate has control with the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a pledging bank, including but not limited to the ownership of voting securities. In addition, an approved custodian shall not hold pledged collateral for any pledging bank which is an office of the approved custodian or an affiliate or a subsidiary of the same bank holding company of which the approved custodian is a subsidiary or affiliate as defined in Iowa Code section 12C.22, subsection 1.