



**JAMES L. McINTIRE**, Chairman  
State Treasurer

**CHRISTINE O. GREGOIRE**  
Governor

**State of Washington**  
**PUBLIC DEPOSIT PROTECTION COMMISSION**

**BRAD OWEN**  
Lieutenant Governor

April 30, 2009

To All Banks and Thrifts

Dear Bank President/CEO,

I am pleased to inform you that on April 30, our office adopted new rules to bring the Public Deposit Protection Commission (PDPC) rules into alignment with the new statute that became law on March 6. Since these new rules provide significant clarity and specificity in this uncertain time, they will take effect immediately as emergency rules. As mentioned in previous communications, the PDPC adopted Resolution 2009-2 on April 7, 2009 that initiated this rule-making process.

In keeping with new authority and flexibility provided in the law, the specific rule changes to WAC 389-12-020 (3) also allow reciprocal deposit programs like CDARs to accept public deposits in Washington, making Washington the 44<sup>th</sup> state to help local government depositors get better returns from fully insured deposits in this way. A temporary mechanism with which to assess liability through the risk pool is also created so we can be prepared in the increasingly unlikely event that another bank failure causes an assessment before all uninsured deposits are fully collateralized.

I appreciate the comments and input received to date from financial industry representatives and I look forward to getting even more input and review as the formal process unfolds over the next several months to make the rules permanent. I will provide your representatives a detailed schedule of the rule making process soon.

You may view the new rules at our website (<http://www.tre.wa.gov/PDPC/pdpc.htm>). Please do not hesitate to contact me directly should you have any questions or concerns.

Sincerely,

James L. McIntire,  
Commission Chairman and Washington State Treasurer

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