August Newsletter

State Treasurer Launches Buy Washington Bonds Program

On July 19, 2011 retail investors greeted the new Buy Washington Bonds program and the State's first retail bond offering in more than 14 years with enthusiasm, ordering over $89 million of the Series 2012B-2 Motor Vehicle Fuel Tax-backed bonds during the two-day sales period.

Washington residents had priority over all investors and accounted for approximately 85% of all orders. The retail sale offering was increased by $39 million in response to greater demand than anticipated.

The new Buy Washington Bonds program was launched last month by our office and individual investors had an early opportunity to purchase a portion of the $742 million issuance that was to be sold competitively on Wednesday July 20, 2011. It puts Washington citizens ahead of investment banks on Wall Street to buy our bonds.

Washington retail investors haven't had this opportunity in a long time. There was a strong interest on the part of Washington citizens to invest in their own economy. You all stepped up and helped us keep a significant portion of the bond payments in Washington State!

This program has expanded our investor base and the response exceeded our expectation and it demonstrates your interest in the future of Washington State.

Investors said they were pleased to see our office provide retail customers the option of investing directly on a new offering "at wholesale prices" and with structures that were appealing to retail buyers.

Then on the following day, July 20, 2011 Investors turned out in force Wednesday morning for Washington's three competitive bond sales totaling $648.45 million.

The state received eight bids on $388 million tax-exempt Various Purpose General Obligation Bonds. Nine bidders competed for the $233 million Motor Vehicle Fuel Tax General Obligation Bonds. The $27.9 million taxable General Obligation Bonds received 15 bids.

Investors are clearly attracted to Washington State bonds. The high demand we're seeing for our bonds this week ensures competitive rates that give the public maximum value for every tax dollar.

The Series A bonds provide funds to pay for various capital projects such as state buildings, public school skill centers facilities, state programs for Columbia River Basin water supply development, and farmland preservation.

The Series 2010B-2 bonds are being issued to fund state and local highway improvements such as:

•Lane and bridge construction in Snohomish County

•Lane construction on SR 9

•Construction of a new I-5 interchange in King County

•Lane construction on I-405

•Construction of a new interchange on US 12 at SR 124 near Pasco

•US 395 realignment and US 2 lowering in Spokane

•Improvements to the southern mile of the Alaskan Way Viaduct

•Construction of HOV lanes on I-5 in Tacoma

•Improvements to a section of I 90 near Snoqualmie Pass

•Other lane expansion and replacement of existing and new ramps for I-5

Bank of Whitman

This recession has not only affected Washington families, small business, and the ability for government to provide services but it has also affected our local community banks. On Friday August 5, 2011, Columbia Bank acquired Bank of Whitman in an all-deposits transaction. More details are available on the DFI website at www.dfi.wa.gov . No public funds were at risk at any time because all public deposits at all institutions are either fully insured or collateralized.

Columbia Bank already serves as a public depositary and will provide access to Bank of Whitman public depositor's funds during regular business hours. Our office notified Bank of Whitman public depositors by e-mail to ensure they were aware of the situation and could ask any questions.

Eight of the 20 branches formerly operated by the Bank of Whitman will remain open as Columbia Bank branches including those located in Clarkston, Colfax, Othello, Pullman, Ritzville, Walla Walla, and two in Spokane.

While all depositor accounts will transfer to Columbia Bank, physical facilities at 12 branches will not remain open, including:

- Lind and Washtucna branches in Adams County,
- Kennewick branch in Benton County,
- Pasco branch in Franklin County,
- Pomeroy branch in Garfield County,
- Mattawa, Royal City and Warden branches in Grant County,
- The branch on State Route 2 in Spokane County, and

- Endicott, LaCrosse and Rosalia branches in Whitman County.

Public depositors previously served by these now-closed branches who do not transact banking business electronically, through the mail, or over the Internet will need to travel to one of the remaining open eight branches now owned by Columbia Bank for in-person banking services. A list of the nearest branches, distance and travel times can be viewed at www.dfi.wa.gov . We understand that this will also create some hardship for individuals whom this was their only bank. We will continue to work with DFI to try and minimize the impact to these communities.

Depositors can access their accounts and other banking services through the use of checks, ATMs, debit cards, and the Internet.

The eight former Bank of Whitman locations that will reopen as branches of Columbia State Bank will maintain their regular business hours, and you may continue to use the services to which you previously had access, such as safe deposit boxes, night deposit boxes, wire services, etc.

Customers with safe deposit boxes at the twelve locations not reopening should call 1-800-881-7816 to set up an appointment to claim the contents of their boxes. Customers will have until August 26, 2011 to access their safe deposit boxes at these locations.

All interest accrued through Friday, August 5, 2011 will be paid at your same rate. Columbia State Bank will be reviewing rates. You will be notified of any changes.

Your direct deposits and automatic withdrawals will be transferred to your new bank. If you have any questions or special requests, you may contact a representative of your new bank at your branch.

More information about public deposits is available on the State Treasurer's website at www.tre.wa.gov. As always, we appreciate the time, attention, and help provided by state and federal regulators as we work together to better protect public funds in Washington state.

JumpStart Financial Education Listening Session and Training

I have mentioned to you before that it is not enough for my office to make fiscally sound in the financial decision we make on behalf of Washington taxpayers but to also encourage those same types of fiscally responsible decision be made in homes throughout our state. On August 16th Jump$tart will be hosting a financial education listening session and training event. It will be held at the Washington Society of CPAs in Bellevue. I am honored to have been asked to

provide the welcoming remarks at the morning's breakfast and to give a state level perspective of financial education in our state.

The day will begin with a breakfast listening session with members and representatives of the President's Advisory Council on Financial Capability and the National JumpStart Financial Education Coalition. This will be followed by a series of workshops designed to provide individuals with resources and ideas on how to bring financial education to the youth in your community. The sessions will include:

- **Panel of local educators**- A panel of local educators and community groups that will share their experiences in engaging youth around financial education and bringing it to the community.
- **Money Management 101**- Variny Paladino from National Jump$tart will provide an overview of the key lessons kids need to get started on creating financial stability, such as budgeting and handling a bank account, with tips on how to make it relevant in their world.
- **Savings & Investing**- Alicia Diefenbach from Consumer University will discuss the key concepts our youth need to make their money grow and work for them. She will share her experiences and tips she has learned from presenting to high school students over the years.
- **Finances and Fun**- Yes, you read that correctly! There are many resources out there to make financial education. Pam Whalley from Western Washington University and the Washington Council for Economic and Financial Education, will serve as guide as we walk the different options.

The day will also provide individuals with the opportunity to network with fellow financial educators in the area. The fee for the day is $30, which covers breakfast, lunch and the training. To register, click here.

Not able to come for the day but you really want to come the listening session? We have a link just for that, click here.

Foreclosure Fairness Act Update

The official launch of the foreclosure fairness act was July 22, 2011. The first round of funds have gone to qualified housing counselor who have either hired additional counselors or increased the capacity of the existing staff. Though the program just launch it is already clear that this is a much needed program. For a list of housing counselors in your community please visit my website www.tre.wa.gov under financial resources for the homeowner resource guide. Please feel free to share this resource guise with your community.

Also below is information on a free community event for families to help them prevent home foreclosure. As always if you have any question please feel free to contact my office.

Get mortgage help at free foreclosure prevention event

HUD Housing counselors to work one-on-one with homeowners to avoid foreclosure

Are you struggling to pay your mortgage because of a subprime loan, a job loss or a one-time financial crisis like an illness or divorce? If so, find the help you need at a free foreclosure prevention event.

The event will be held on **Saturday, Aug. 20, 10 a.m. – 2 p.m**. at Cascade High School, 801 E. Casino Rd., Everett. U.S. Congressman Jay Inslee will open the event at 10 a.m.

Sponsored by the Snohomish County Asset Building Coalition, workshops on Aug. 20 will offer struggling homeowners information on modifying their loans and monthly mortgage payments, mediation laws and rebuilding their financial life if they do foreclose. HUD counselors from Parkview Services, ClearPoint Credit Counseling Solutions, American Financial Solutions and Apprisen will be on hand to speak to participants. Workshops on understanding loan modifications and how they work, the new mediation law, what to expect in foreclosure and how to rebuild credit after a foreclosure will also be offered.

With foreclosures double what they were two years ago, the need for such an event is obvious, if not a sad sign of our times, noted Deborah Squires, spokeswoman for United Way of Snohomish County.

What to bring:

- A detailed list of all household expenses and all household income
- Documentation for any other income (i.e. rental income or unemployment)
- Any recent correspondence related to your home
- Your most current mortgage statement

The event is sponsored by United Way of Snohomish County, Snohomish County Asset Building Coalition, the Washington State Department of Commerce, and the Washington State Department of Financial Services. The Northwest Justice Project will provide onsite resources.

For more information or to speak with a HUD housing counselor prior to the event, please visit www.homeownership.wa.gov or call 1.877.894.HOME.

I will keep you posted of future community events.

Job Opening

The OST Investment Division is recruiting to fill the position of Portfolio Analyst.

The incumbent will work extensively with investment data to develop reports and analytics to assist Investment Officers with fixed income investments, financial market analysis, and cash flow forecasts, etc. Candidates with specialized education or work experience in mathematics, statistics and database management are encouraged to apply.

The complete announcement is posted on our internet page at:

http://www.tre.wa.gov/aboutUs/careers/jobOpenings.shtml

If you are interested in the position, please submit your application materials to Human Resources. We also ask that you share this announcement with others you feel would be candidates for this position.

If you have questions about anything mentioned in these newsletters or previous please feel free to contact my office. We are here to help and serve the communities of Washington State. Until next time.