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State of Washington
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Washington State Public Deposit Protection Commission Acts to Recover Public Funds

OLYMPIA, Washington — The Public Deposit Protection Commission (PDPC) has been notified that the Washington State Department of Financial Institutions has declared Bank of Clark County insolvent and that the Federal Deposit Insurance Corporation has been appointed as the receiver who will settle the accounts held by this bank.

The local governments with money deposited at Bank of Clark County will be made whole so public money will not be lost. Deposits of public money that are not fully covered under federal deposit insurance are protected by Washington State's Public Deposit Protection Act – a state law that requires public depositories to pledge collateral for government money.

Washington State Treasurer James McIntire said public deposits in the Bank of Clark County are safe.

“We are not in any danger of losing any public money,” said State Treasurer James McIntire, “the state law works to make sure that public money is safe and secure”.

State laws require all public depositories to jointly collateralize deposits of public money.

He said the immediate consequences of closing Bank of Clark County are currently being dealt with by the FDIC. McIntire said effective action and coordination between state and federal agencies is making sure that public money will be accessible and that local governments can begin to recover their uninsured deposits as soon as Tuesday.

When there is a loss of public funds at a public depository those funds are in most instances insured by the Federal Government to some extent. To the degree a public deposit is not insured by the federal government, the PDPC will assess a claim first against the institution responsible for the loss and then against the pool of collateral held by other PDPC member institutions. Each institution will then be responsible to pay its portion of the cost in proportion to the share of public funds held by that institution. Because of this statewide risk sharing and pooled collateralization, public deposits are protected in the State of Washington.

On behalf of the PDPC, the Office of the Treasurer will take the steps required by state law to collect the money and make reimbursement to the local governments that are involved in this unfortunate matter. “My office administers the PDPC law and is committed to working with local government treasurers in these jurisdictions so that this will be done in a timely way,” said McIntire.

“Solving this problem is a priority so that these local governments will have access to the funds they need as soon as possible,” he said.

The Public Deposit Commission members are the State Treasurer, who serves as Chair, the Governor and Lieutenant Governor.

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