

Criteria and Standards for Letters of Credit and Certificates of Deposit

1. The Certificate of Deposit (CD) or Letters of Credit (LOC) shall be drawn by or on an institution that meets at least one of the ratings from the table below. If the institution is rated by all four rating agencies, the rating is considered in the analysis will be the lower rating of Moody's or Standard & Poor's. However, if the institution receives ratings from Bauer Financial and TheStreet.com, only the higher of the two ratings is considered.

Deposits	Moody's*	Standard & Poor's	Bauer Financial	The Street.com**
If the term of the CD is less than three (3) years, the minimum ratings are:	A2 or better	A or better	4 Stars or better	B or better
If the term of the CD is three (3) years or greater and the Total Assets of the institution are less than \$150 billion, the minimum ratings are:	Aa1 or better	AA+ or better	4 Stars or better	B or better
If the term of the CD is three (3) years or greater and the Total Assets of the institution are \$150 billion or more, the minimum ratings are:	Aa3 or better	AA- or better	4 Stars or better	B or better

* Bank Financial Strength (only for Moody's, a subcategory of the overall rating standard) should be B or better. Bank Financial Strength is a rating standard that must be met if the institution's total assets are less than \$1.5 billion and Moody's rates the institution.

** Formerly Weiss Ratings, Inc.

2. All deposits shall be insured through either the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) at their maximum standard rate.
3. The CD or LOC shall be irrevocable and in the County's name or pledged to the County.
4. The CD or LOC shall be issued for an amount, as directed by the County, as sufficient to support the terms of the performance agreement, unless otherwise stated in the contract.
5. The CD or LOC shall mature at a definite time, which, unless otherwise stated in the contract, may not be prior to direction by the County, or the expiration of the performance agreement or other provisions thereof.

6. The CD shall meet the minimum criteria and standards at the time the funds are placed with the financial institution. However, a liquidation of the placement is not required should the financial institution's ratings fall below the minimum criteria and standards during the term of the placement. However, at the placement's expiration or maturity, the funds should be placed with a different financial institution that meets the minimum criteria and standards.