



JOSH MANDEL

STATE TREASURER OF OHIO

First-of-its-kind Program a Win for Ohio Taxpayers and Local Economies

CLEVELAND - State Treasurer Josh Mandel unveiled the innovative new STAR Plus program today to public funds managers for northeast Ohio schools, cities and local governments at a Center for Public Investment Management (CPIM) conference in Cleveland. This first-in-the-nation program will provide safe and competitive returns on cash deposits for Ohio local governments, which will currently triple the yield over similar investment options in the existing interest rate environment.

"This innovative idea is a win for local governments in northeast Ohio and around the state who are tightening their belts and stretching tax dollars. Ohio is the first state in the nation to offer this program to local governments that will currently allow them to triple their yield on public fund bank deposits with no credit or market risk," said Treasurer Mandel. "STAR Plus strives to keep Ohio public funds in Ohio community banks that fuel our local economies. STAR Plus will allow public funds managers in our townships, counties, cities and school districts to benefit from the program's focus on safety, liquidity and yield."

The STAR Plus program is modeled after established private-sector programs and will allow government funds managers to deposit funds into a carefully-screened network of hundreds of Federal Deposit Insurance Corporation (FDIC) insured banks via a single convenient account. Public funds deposited in the program will be fully secured and will have no credit or market risk while earning a competitive yield.

STAR Plus was made possible by a new law, HB 209, that Treasurer Mandel supported and the state legislature passed with bipartisan support. The law seeks to help public funds managers deposit cash reserves in Ohio banks. According to data compiled by the FDIC, community banks hold less than 25% of all deposits in the banking system nationally, but make more than 50% of the small business loans.

"Community banks can benefit from the program's goal of redirecting deposits to Ohio community banks," said Robert L. Palmer, President and Chief Executive Director of the Community Bankers Association of Ohio. "Community banks have a long and proven track record of making capital available to small business customers which stimulates local economies. The Community Bankers Association of Ohio is excited about this innovative program, and to work closely with Treasurer Mandel, local governments and the small business community to strengthen the investment we all have in Ohio."

STAR Plus offers local governments a competitive yield compared to investments with similar maturities, such as money market funds, U.S. treasury bills, commercial paper, certificates of deposit, and time deposits. Currently, STAR Plus is yielding 25 basis points.

"Many public funds managers across Ohio are experiencing low yields on investments due to historically low interest rates. The Treasurer's new STAR Plus program is a welcome option for counties looking for safe investments that provide competitive returns for taxpayers," said Butler County Treasurer Nancy Nix. "The fact that this program seeks to place deposits in Ohio banks is an added bonus that can help keep our tax dollars closer to home in local communities."



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STAR Plus is powered by an innovative, patent-pending process that will ensure that government cash deposits have full FDIC insurance coverage from an extensive network of carefully-screened, participating banks. Public funds managers will create one STAR Plus account for cash deposits. Funds will be deposited in multiple banks to provide the maximum deposit insurance amount as set by the FDIC, currently \$250,000, providing the backing of the full faith and credit of the U.S. Government. The minimum amount required to open a STAR Plus account is \$500,000, and the current maximum amount is \$10 million per depositor. The program offers daily deposit capability and weekly liquidity with penalty-free withdrawals for public funds managers.

STAR Plus is offered exclusively to STAR Ohio participants and is fully endorsed by the State Treasurer of Ohio, who will provide continuing oversight to ensure that the program remains a safe and reliable option for local public investment officers.

View a STAR Plus Fact Sheet. For more information on STAR Plus, please visit: www.STAROhioPlus.com or www.OhioTreasurer.gov

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