



JOSH MANDEL

STATE TREASURER OF OHIO

COLUMBUS - Ohio Treasurer Josh Mandel sent notice to local government finance officers today that the Federal Deposit Insurance Corporation's (FDIC) Transaction Account Guarantee (TAG) Program is currently set to expire on December 31, 2012. The TAG program was created in 2008 in response to the global financial crisis, and provides an uncapped federal guarantee on funds held at FDIC-insured depository institutions in noninterest-bearing transaction accounts. Treasurer Mandel also detailed investment options offered by the Ohio Treasurer's office that can help local governments maintain security and full FDIC insurance, while earning competitive yield. In his notice to local public funds managers, Treasurer Mandel stated:

"While it is possible that the TAG program could be extended before it expires, I would encourage all Ohio government entities to ensure the safety of public funds under their management. If the TAG program does expire on December 31, public deposits held in TAG accounts in excess of the \$250,000 FDIC insurance limit must generally be collateralized or moved into a safe investment alternative."

The Ohio Treasurer's office makes TAG alternatives available to local government entities through the State Treasury Asset Reserve of Ohio (STAR Ohio) and STAR Plus programs. These secure investment options offer a number of benefits to all Ohio local government subdivisions, including those currently utilizing the TAG program:

- STAR Ohio: The STAR Ohio program is a local government investment pool managed by the Ohio Treasurer's office that has maintained Standard & Poor's highest rating possible (AAAm), can accept deposits of any size, offers daily liquidity, and provides a competitive yield (9 basis points as of December 19, 2012).

- STAR Plus: The STAR Plus program is a bank deposit program endorsed by the Ohio Treasurer's office that offers full FDIC insurance on local government deposits from \$500,000 to \$15 million, provides weekly liquidity, and returns a competitive yield (25 basis points as of November 2012).

"I am proud to make these programs available to Ohio local government entities, and would encourage public funds managers to consider taking advantage of them," continued Treasurer Mandel. "STAR Ohio and STAR Plus are strong investment alternatives to TAG designed to help ensure that Ohio taxpayer dollars are fully secured, while earning a competitive yield for local schools, cities, counties, and political subdivisions."

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