

OFFICE OF STATE TREASURER SAFE DIVISION
ADMINISTRATIVE CODECHAPTER 892-X-1
GENERAL INSTRUCTIONS**892-X-1-.17 Effect Of Merger Or Acquisition.**

(1) Designation.

(a) When a non-qualified depository acquires, merges, consolidates, or undertakes other similar transactions with a QPD, the resulting institution automatically becomes a QPD for ninety (90) calendar days and assumes the contingent liability, collateral agreement, required collateral, and reporting requirements of the approved QPD.

(b) Should the resulting institution desire to become a QPD, the requirements under Section 892-X-1-.03 "Designation as a QPD" shall be met for participation in the SAFE Program within ninety (90) calendar days.

(c) Should the resulting institution choose not to become a Qualified Public Depository, procedures under Section 892-X-1-.14 "Voluntary Withdrawal" from the SAFE Program shall be followed.

(2) Pledge Level

(a) A QPD may obtain an exemption from a change in pledging level in the event a merger or acquisition incurs accounting requirements that cause a material misstatement of the QPD's financial ranking for the most recent quarter. This exemption shall be requested in writing addressed to the Treasurer.

(b) An exemption shall be effective for a period of two calendar quarters and require reporting of the QPD's financial condition in addition to the regular monthly report.

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Statutory Authority: Code of Ala. 1975, §§41-14A-6, as amended.

History: New Rule: Filed March 28, 2001; effective May 2, 2001.

Amended: Filed September 19, 2002; effective October 24, 2002.

Amended (only rule number changed): Filed January 23, 2004; effective February 27, 2004. **Amended:** Filed December 20, 2004; effective January 24, 2005. **Amended (Rule Number Only):** Filed January 19, 2006; effective February 23, 2006. **Amended:** Filed August 20, 2008; effective September 24, 2008.

Ed. Note: Original Rule 892-X-1-.15 was renumber to 892-X-1-.16 as per certification filed January 23, 2004; effective February

27, 2004. Rule 892-X-1-.16 was renumbered to Rule 892-X-1-.17 as per certification filed January 19, 2006; effective February 23, 2006.